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P R O C E E D I N G S

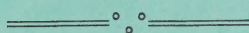
of the

Select Committee of the Ontario
Legislature appointed to enquire
into matters concerning certain
Divisions of the Department of
Highways.

MR. A. KELSO ROBERTS, Q.C., CHAIRMAN

PRESIDING.

MR. V. J. JOHNSON, SECRETARY.



VOLUMES XIII - XIX inclusive

Enroute, Bismark, N. Dak. to Fort William, Ontario.



FRIDAY, JUNE 18, 1954.

TUESDAY, JUNE 22, 1954.

SATURDAY, JUNE 19, 1954.

WEDNESDAY, JUNE 23, 1954.

SUNDAY, JUNE 20, 1954.

THURSDAY, JUNE 24, 1954.

MONDAY, JUNE 21, 1954.



R. C. Sturgeon,
Official Reporter,
Parliament Buildings,
Toronto, Ontario.

VISIT TO GARRISON DAM PROJECT,
NORTH DAKOTA

When the Committee left Bismarck, their hosts, the officials of the North Dakota Highways Department, arranged for them to have an opportunity of viewing Garrison Dam on their way to the Canadian border.

This is one of a series of immense projects undertaken on the Missouri River by the Corps of U.S. Army Engineers with a view to controlling floods, providing water for irrigation purposes and navigation on both Missouri and Mississippi Rivers, generating hydro-electric power and supplying sanitation and recreation facilities.

District Engineer Colonel Henry Hille, who is in charge of the project, took the Committee on a conducted tour of the Dam and explained its various features.

Situated 77 miles ~~up~~river from Bismarck, Garrison Dam was commenced in 1946 and is expected to be completed by 1957. It is one of the largest dams of its type in the world and was initially estimated to cost \$105,000,000, which figure has now been advanced to \$300,000,000. 12,000 feet long, 210 feet high and 2,600 feet thick at the base, it is composed of 70,000,000 cubic yards of earth, faced with riprap

rock and concrete.

In order to house personnel engaged in the work, the nearby town of Riverdale was erected, housing a population which varies between 2,000 and 3,000. It is quite modern and is heated with lignite uncovered during excavations for the Dam. So much lignite has been found that the remainder is stock-piled in various spots which could be seen about the construction, this having been done to avoid flooding the State commercial market.

In viewing the 1,444 foot spillway, the largest in the world, the Committee's bus drove over a 40-acre concrete weir, poured in a single slab. When the Dam is completed, State Highways Nos. 8 and 28 will run along its crest, and under a 160 foot power head, water will enter the turbines at the foot of the intake at 90 miles per hour and generate 400,000 KW hydro-electric power.

Due to the immense quantities involved, very elaborate equipment is used in transporting earth, but this equipment was idle during the Committee's visit, due to a cloudburst the day before. Working under an \$11,600,000 contract, which is being paid for by the Federal Government at the rate of \$40,000 to \$60,000 per day, the contractor was at that time operating at a

current loss of \$700,000.

Colonel Hille mentioned that the contract let for supplying the immense amount of field rock required for the face of the Dam worked out to about \$7.00 per yard and that it had been reported that the prime contractor subcontracted this work at \$5.00 per yard and that the subcontractor, in turn, sublet at \$2.00 per yard. Much of this rock had to be transported very considerable distances to the project.

When the Dam is completed, the water in the river will be backed up into the largest artificial lake in the world, 200 miles long, to be known as Lake Thompson, in honour of North Dakota's Commissioner of Highways. In the process, two existing towns will be inundated, and "New Town", a planned community, has been built to take their place, and has already attracted, in addition, new residents from other areas. This body of water will be of great value to the States of North Dakota and Montana for recreational purposes, and the Committee was shown two ponds in which some residents of Riverdale, in collaboration with Army officials, have put 100,000 Wall-eyed pike fingerlings which will eventually be released into Lake Thompson.

It was explained that the project comes under the jurisdiction of the U.S. Army Engineers, rather

than their civilian counterparts, partly because flood control is a responsibility of the U.S. Army and partly because, "between wars", the Engineering Corps is employed in such constructions in order to maintain and improve their wartime techniques.

The Committee appreciated very much this unusual opportunity, afforded by the co-operation of their North Dakota friends.

(page 1226 follows)

T H I R T E E N T H D A Y .

En route, Bemidji, Minn. to Fort
Frances.

Friday, June 18th, 1954.

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The following proceedings were had en route from
Bemidji, Minn. to Fort Frances, Ontario, via Rainy
River, Ontario.

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P R E S E N T :

Mr. A. Kelso Roberts, Q.C., Chairman,
Presiding.

Messrs. Dent,
Herbert
Janes,
Mapledoram,
Wren.

Mr. V. J. Johnson, Secretary.

A P P E A R A N C E S :

Messrs. MacEwen,
F. C. Flegg,
Harold Broom.

The Select Committee left Bemidji, Minn., at 8 a.m. and proceeded north on State Highways 71 and 72 to the Baudette ferry where they were met by Mr. Wm. G. Noden, M.L.A. for the constituency of Rainy River.

Mr. Noden introduced Mayor Olinyk of Rainy River, Mr. R. D. Ramage, president of the Rainy River Chamber of Commerce, and Messrs. V. K. Croxford, J. E. Vennes, Wm. Mitchell, J. E. McQuarrie, A.V. Ricci, Mel Vennes and other leading citizens of the Town of Rainy River.

At a luncheon tendered by the Chamber of Commerce, Mr. Ramage welcomed the Committee to the area and asked that a Brief to be presented would receive careful consideration by the Committee.

Mr. Roberts thanked the Chamber of Commerce for its warm welcome and assured the citizens of Rainy River that their Brief would be gone into thoroughly by the Committee and careful consideration given to it.

A Brief of the Town of Rainy River was filed and marked as Exhibit No. 39.

EXHIBIT No. 39: Brief, Town of Rainy River, produced and marked.

The members resolved themselves into committee

to hear the Brief.

Mr. Croxford spoke on Part I (the need of an international bridge between Rainy River and Baudette), Part 2 (a request that the Department of Highways continue to do snow-ploughing on municipal roads as at present) and Part 4 (a resolution respecting the completion of a highway from Atikokan to Fort Frances).

Mr. J. E. Vennes spoke on Part 3 of the Brief (respecting the Sleeman-Morson road).

A discussion ensued with Mr. MacEwen being questioned as to the conditions mentioned in the Brief.

Mr. Mapledoram expressed the belief that matters such as were mentioned in the Brief would receive favourable consideration by the Committee and the hope that such recommendations as may be made in its Report would be adopted in practice.

Mr. Dent moved a vote of thanks to the citizens of Rainy River for the hospitality extended to the Committee.

Mr. Wren seconded the motion.

The Committee were then taken in cars by citizens of Fort Frances for an inspection of roads between Rainy River and Fort Frances.

On the Sleeman-Morson road it was noted that grading was being done. A black muck upheaval was inspected in a muskeg area.

Mr. Kendall Hanson said that approximately 250 families lived on this road. A further point of interest was noted by the Committee when told that in this area ten men had been recommended for permanent status in the civil service but at this time had not been taken on.

At a point on Highway 71 the Committee stopped to inspect a project known as the Pine Hill Project and to see a Department of Highways camp. It was noted that earth was used at 25 cents per cubic yard and that there was an 18-inch granular base.

Upon arrival at Fort Frances the Committee were welcomed at a dinner given by the Fort Frances Chamber of Commerce.

Mr. Noden introduced Mayor J.T. Livingstone, Dave Lerman, president of the Fort Frances Chamber of Commerce, Judge H.J.M. Donley, E.C.W. Anderson, Transportation Chairman of the Chamber of Commerce, the council of the Town of Fort Frances and a great many of the leading citizens of Fort Frances.

Mr. Lerman acted as host and called upon Mayor

Livingstone to welcome to Fort Frances the members of the Select Committee.

Mr. Noden then formally introduced the members of the Select Committee to the citizens of Fort Frances attending the dinner and went on to express the great shock it was to hear of the sudden passing of the Honourable Welland S. Gemmell, Minister of Mines for Ontario. A silence of one minute was observed as tribute to Mr. Gemmell.

His Honour, Judge Donley, then spoke and expressed the hope that this Committee would give favourable consideration to the Brief that would be presented.

Mr. Roberts then explained the work that the Committee was doing and the itinerary that still lay ahead for the members.

A Brief of the Town of Fort Frances Chamber of Commerce was filed and marked as Exhibit No. 40.

EXHIBIT No. 40: Brief,
Fort Frances
Chamber of
Commerce, produced by Mr.
Anderson and
marked.

Mr. Anderson read the Brief and told of the

great need felt by the citizens of Fort Frances for an Antikokan-Fort Frances highway.

Mr. Hanson again spoke of the request for a bridge at Rainy River and the future he felt lay ahead for the Rainy River District.

Mr. Noden thanked the Select Committee for coming to Fort Frances and hearing the Brief presented.

Mr. Janes, Mr. Wren and Mr. Herbert each extended the gratitude of the Committee for their hospitality extended throughout the Rainy River District.

Mayor Livingstone requested that the Committee meet himself and his council immediately after the dinner.

Later, the Committee met with the Mayor and Councilmen, R. V. Green and Jos. H. Parker.

A Brief of the Town of Fort Frances Council was filed and marked as Exhibit No. 41.

EXHIBIT No. 41: Brief, Fort
Frances Council,
produced and
marked.

The meeting was adjourned at 10.14 p.m.

F O U R T E E N T H D A Y .

En route Fort Frances to
Red Lake.

Saturday, June 19th, 1954.

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The following proceedings were had en route from
Fort Frances to Red Lake.

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PRESENT:

Mr. A. Kelso Roberts, Q.C., Chairman,
Presiding.

Messrs. Dent,
Herbert
Janes
Mapledoram
Wren.

Mr. V. J. Johnson, Secretary.

APPEARANCES:

Messrs. M. N. MacEwen
F. C. Flegg
Harold Broom

The Select Committee assembled at 8 a.m. and left Fort Frances for Red Lake.

As the Committee proceeded along Highway No. 70 Mr. MacEwen gave to the Committee the following example of an over-run:

Contract No. 50-125 (Angus and Taylor, Contractors)

Original Contract -

Earth excavation (540,000 cu.yds. at 33 cents) -	\$178,000
Granular base "B" (100,000 cu.yds. at 75 cents)-	75,000
Swamp treatment (2,000 cases of dynamite at \$11)-	22,000
Other items (rock excavation, granular base "A", 5/8ths crushed, and clearing, etc.)-	<u>183,000</u>
Total -	\$458,000

Final Contract -

Earth excavation (270,000 cu.yds. at 33 cents)-	\$ 89,100
Granular base "B" (560,000 cu.yds. at 75 cents)-	420,000
Other items -	<u>225,000</u>
Total -	734,100

This shows a total over-run of \$276,100.

The over-run on granular base "B" is shown by taking the final figure of 560,000 cu.yds. less the original estimate of 100,000 cu. yds. which is 460,000 cu. yds. at 75 cents for a total of \$345,000.

The under-run on earth excavation is shown by taking the original estimate of 540,000 cu. yds. less the final figure of 270,000 cu. yds. which is 270,000 cu. yds. at 33 cents, for a total of \$89,100.

The under-run on earth excavation of \$89,100 is taken from the over-run on granular base "B" of \$345,000 for a

remainder of \$256,000 over-run.

This shows how the over-run was accounted for; that is, that granular base "B" was used instead of earth excavation as was originally intended. The difference between the \$276,000 total over-run and the over-run of \$256,000 caused by using granular base "B" instead of earth excavation, a total of \$20,000, can be accounted for by an over-run of 10,000 cu. yds. of rock excavation at \$1.75, for a total of \$17,500, and other minor over-runs on clearing, etc.

The Committee inspected this portion of the road built through muskeg.

At Kenora the Select Committee met with Mayor Fregeau at luncheon. The Mayor expressed regret that Mr. MacEwen was soon to be transferred to Port Hope and that the Committee had not had Kenora on its itinerary for a visit of several days.

After luncheon, the Committee proceeded to Red Lake where they were met by officials of several mining companies who requested that the Select Committee visit Balmertown and Madsen Mine the next day for a meeting with citizens of the Red Lake area. The Committee agreed to the request.

F I F T E E N T H D A Y .

--^e
Red Lake, Ontario.

Sunday, June 20th, 1954.

PRESENT:

Mr. A. Kelso Roberts, Q.C., Chairman,
Presiding.

Messrs. Dent,
Herbert
Janes
Mapledoram,
Wren.

Mr. V. J. Johnson, Secretary.

APPEARANCES:

Messrs. MacEwen
F. C. Flegg,
Harold Broom.

The Committee assembled at 12 noon and made a tour of the Red Lake District, arriving at Madsen Mines where a luncheon was served.

Mr. E. C. Crayston, Manager of Madsen Mines, welcomed the Committee to the Red Lake District.

Mr. Wren introduced the members of the Committee to the assembled residents at the luncheon.

A Brief of the Red Lake District Chamber of Commerce was filed and marked as Exhibit No. 42.

EXHIBIT NO. 42: Brief, Red Lake District Chamber of Commerce, produced by Mr. Crayston and marked.

Mr. Crayston read the Brief which dealt with roads in the district.

Mr. Roberts responded and said the Brief would be considered when the Committee was preparing its Report.

Mr. Wm. Reed, President of the Red Lake Chamber of Commerce, extended a northern greeting to the Committee.

Mr. Dent thanked the residents of Red Lake for their generous hospitality.

Mr. F. C. Flegg seconded the motion.

The Committee then went to the Couchenour Mines where they attended a Father's Day tea being held by the ladies of that community.

The Committee then returned to Red Lake and adjourned at 7.00 p.m.

S I X T E E N T H D A Y .

En route Red Lake to Port
Arthur.

Monday, June 21st, 1954.

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The following proceedings were had en route from
Red Lake to Port Arthur.

- - - - -

PRESENT:

Mr. A. Kelso Roberts, J.C., Chairman,
Presiding.

Messrs. Dent,
Herbert

Janes

Mapledoram,

Wren.

Mr. V. J. Johnson, Secretary.

APPEARANCES:

Messrs. MacEwen

F. C. Flegg

Harold Broom.

At 7.30 a.m. the Committee left Red Lake and proceeded
to the Department of Lands and Forests base on Red Lake
where a brief visit was made before boarding planes to fly
out.

The Committee then took to the air under raining conditions for Pickle Lake. During the flight two bridges and their approaches at the Rat Rapids washout were viewed. Local residents explained later that the washout of the bridges was caused when the water above the Rat Rapids power development dam which was raised eight feet, was spilled out by the removal of stop-logs to relieve high-water conditions and as a result flooded the area, including an island and the approaches to the bridges. After the inspection of the area from the air the Committee were landed at the Pickle Lake Land and Forests dock.

Mr. Charles Lowe provided cars for the party and their baggage and the group were then driven over the old road built by the mines to Dog Hole Point, where water transportation was provided for a distance of 12 miles over Lake Joseph to a landing well clear of the flooded and impassable portion of the road. En route it was noted that there was an Indian settlement and the party stopped briefly at a Hudson Bay Trading Post. After disembarkation, cars were provided to continue south over the road which was in poor condition aggravated by the rain. After proceeding for a few miles, the party stopped at a camp of the Bergman Construction Company, approximately 65 miles north of Savant Lake, where they met Messrs. Harris, House and J. West, Jr. As there was no

one in the party who had personal knowledge of the construction of this road, Mr. West agreed to accompany them to Savant Lake, pointing out certain features in the construction and outlining some of the changes made during construction. He stated that the road had been started as a winter road only and was later changed to an all-weather road. The road is completed, except for the more northerly portion, and was carried out under three contracts: (a) a clearing contract; (b) 1950-24 contract; and (c) under a 1952 contract. Mr. West estimated that the overall cost for the 83 miles of road involved would be about \$1,400,000. Measurements were taken at two points, showing at one point a road-width of 16 feet, 4 inches and at the other a road-width of 15 feet, 8 inches.

It was stated that the road was not being maintained at the present time and residents of the Pickle Crow and Central Patricia area urged that the road be completed and maintained by the Department of Highways for use in lumbering operations, tourist development, transportation of fish from Pickle Lake as well as for mining purposes.

Mr. MacEwen, who was accompanying the Committee but had not seen the road before, after observing the general construction of the road said he considered it sufficient for the class of road it came under.

The Committee were informed en route that the resident engineer on this job had been Mr. James Bowes. (The Chairman later was introduced to Mr. Bowes near Marathon by Mr. E. A. Cash, Division Engineer of Fort William,) Mr. Bowes was introduced by the Chairman to the Committee who agreed not to question him in view of his position as a witness at a pending trial.)

After reaching Savant Lake, the Committee were informed that, due to weather conditions, the hope of landing in Port Arthur by plane as scheduled had been abandoned. Air transportation to Ignace was possible, however, and the party drove back 10 miles to Pickerel Lake where Lands and Forest planes were waiting.

At Ignace cars were provided and the Committee were driven to Port Arthur where they arrived at 1.30 a.m.

S E V E N T E E N T H D A Y .

En route Port Arthur -
Atikokan.

Tuesday, June 22nd, 1954.

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The following proceedings were had en route
from Port Arthur to Atikokan.

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PRESENT:

Mr. A. Kelso Roberts, Q.C., Chairman,
Presiding.

Messrs. Dent

Collings

Janes

Mapledoram

Herbert

Oliver

Wren.

Mr. V. J. Johnson, Secretary.

APPEARANCES:

Messrs. E. A. Cash, Division Engineer of
Fort William,

Hugh MacMillan, D.H.O. Engineer

F. C. Flegg, Assistant to Deputy
Minister of Highways

Harold Broom, D.H.O.

The Committee assembled at 9.00 o'clock, Mr. Roberts conducting the party on a survey trip along the Atikokan highway.

Mr. MacMillan introduced Mr. E. A. Cash, Division Engineer of Fort William, to the Committee.

The Committee departed by bus along the Atikokan highway and stopped briefly at Kakabeka Falls where the members viewed the scenic beauty of this historical spot.

En route to Atikokan work being done under the following contracts was noted and viewed by the Committee:

51-23 (Tomlinson)

Clearing commenced September, 1951

Grading commenced November, 1951

Work completed August, 1953

Shut down January, 1953 to June 1953

Pavement - 22 feet

Grading and hot-mix surfacing contract.

53-41 (Hacquoils) 6.06 miles (trans-Canada)

Top - 38 feet

Maximum curves of 4 degrees

Maximum grades of 5 per cent

Base - 36-inch granular prime

Commenced in August, 1953

The problem of classification has not arisen.

53-76 (Hacquoils) (Trans-Canada)

Sunshine Creek Bridge

Work will commence when water is low.

50-165 (Tomlinson)

Oskandega Creek Bridge (90 feet over-all)

Commenced in May, 1951

Completed in August, 1952.

51-71 (McFarland) 11.5 miles

Top - 28 feet

All material of granular nature

Curves of 5 degrees and grades of 7 per cent

Commenced in December, 1951

Completed in November, 1953.

52-34 (Hacquoils) 10 miles

Rock and granular base

Curves of 4 degrees and grades of 7 per cent

Commenced in July, 1952

Completed in November, 1953.

53-01 (Hacquoils)

Kashabowie River Bridge (60-feet span)

Commenced in July, 1953

Completed in October, 1953

51-73 (Fort York) 10 miles

Curves of 3 degrees and grades of 7 per cent

Commenced in January, 1952.

51-74 (Fort York) 10.5 miles

Curves of 5 degrees and grades of 7 per cent

Commenced in March, 1952

Completion expected in August, 1954.

52-35 (Hewitson) 10.5 miles

Curves of 5 degrees and grades of 7 per cent

Commenced in July, 1952.

53-30 (Hewitson)

French River Bridge (200 feet over-all)

Commenced in September, 1953

Completed in November, 1953.

51-76 (Harvey) 10.5 miles

Curves of 3 degrees and grades of 5 per cent

Commenced in January, 1952

Completed in November, 1953.

52-36 (C.A.Pitts) 9.5 miles

Curves at 5 degrees and grades at 5 per cent

Commenced in November, 1952

Completed in October, 1953.

Mr. Wren questioned the Chairman regarding the work of the Committee and how facts could be procured by observations while moving along a highway,

Mr. Roberts replied that any member of the Committee could call any witness that could testify but who would not prejudice pending trials.

Discussion in Committee revealed that information received as a result of the seizure of books of contractors not involved in criminal proceedings could not be made available to the Committee. A general discussion on witnesses ensued.

Mr. Cash stated that in his division there are fifteen permanent employees and approximately one hundred equipment men who are classed as casual. Of the casual employees it was stated that 90 per cent desired permanency for pension benefits.

As the Committee neared Atikokan they were joined by Wm. Noden who gave the Committee a passing description of Quetico Park.

At Atikokan the Committee were met by the Reeve, Mr. John Reed. Mr. Robert Clarke, President of the Atikokan Chamber of Commerce, invited the Committee to a luncheon to be given by the Chamber of Commerce.

Mr. Noden introduced the members of the Select Committee to the gathering of citizens of Atikokan and Steep Rock.

Mr. Reed gave an official welcome to the Committee and Mr. Roberts thanked the Reeve on behalf of the Committee.

Mr. Clarke expressed the appreciation of the Chamber of Commerce for the opportunity of meeting the Committee and Mr. Oliver responded with a brief address.

A Brief by the Township of Atikokan requesting an underpass on Highway No.120 was filed and marked as Exhibit No. 43.

EXHIBIT No. 43: Brief, Atikokan,
produced by Mr.
E.C. Lafontaine,
and marked.

Mr. E. O. Lafontaine, Municipal Engineer of Atikoka presented the Brief.

A Brief by the Atikokan Chamber of Commerce requesting the building of a highway from Atikokan to Fort Frances was filed and marked as EXHIBIT No. 44.

EXHIBIT No. 44. Brief, Atikokan
Chamber of Commerce
produced by Mr.
Clarke and marked

Mr. Noden addressed the gathering and supported the Briefs presented to the Committee.

Mr. Wren responded and expressed the feeling that he, along with the other northern members, would support the matters set out in the Briefs.

Mr. M. S. Fotheringham, President of Steep Rock Iron Ore Mines, invited the Committee to come with him on a tour of the area. The Committee were driven to the Mine and were escorted on a tour throughout by mine officials who explained the various sights pointed out. During this tour it was noted that tremendous rock excavation was being done. Mr. Fotheringham stated that with the modern procedure adopted by the Steep Rock Company it was possible to fix a price at \$1.25 per cubic yard of rock excavation. He went on to say that in his opinion rock excavation on highway construction should be at an absolute minimum of \$1.50 per cubic yard and in some instance should be \$3.00 per cubic yard depending on conditions and terrain.

The Committee then returned over Highway No. 120 to Port Arthur, arriving back at 7.00 p.m.

E I G H T E E N T H D A Y .

En route, Port Arthur to Marathori

Wednesday, June 23rd, 1954.

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The following proceedings were had en route from
Port Arthur to Marathon.

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PRESENT:

Mr. A. Kelso Roberts, J.C., Chairman,
Presiding.

Messrs. Dent
Collings
Janes
Mapledoram
Oliver
Wren

Mr. V. J. Johnson, Secretary.

APPEARANCES:

Messrs. E. A. Cash, Division Engineer of
Fort William
Hugh MacMillan, D.H.O. Engineer
F. C. Flegg, Assistant to Deputy Minister
of Highways
Harold Broom, D.H.O.

The Committee assembled at 8.30 a.m., Mr. Roberts conducting the party on a survey trip along Highway No.17 to Marathon.

As the party moved along the highway, Mr. Roberts proposed that members be prepared to submit what recommendations they felt should be made and that at the Toronto sittings an interim report could be drafted incorporating any suggestion approved by the Committee.

A general discussion arose with Mr. Wren and Mr. Oliver objecting to an interim report at this time as they felt the Committee had not enough facts to warrant drafting such a report. The majority of the Committee, however, felt that enough material had been gathered at this time to make certain recommendations in an interim report that could be acted on by the Department of Highways or by any branch of the Government.

A discussion also arose regarding the general set-up of the Fort William Division at the present time as compared with the set-up prior to the change-over in administrative personnel. Mr. Collings requested full information by departmental officials who had knowledge of the facts and it was agreed that such officials should be sent for from Toronto to be available in Fort William when the Committee met on Friday next.

At Terrace Bay the party recessed for luncheon.

After luncheon the Committee proceeded over High-

way No.17 viewing work that had been done under the following contracts:

50-63	(Fort York) - 6 miles
50-222	(Tomlinson)- 6.1 miles
50-221	(Tomlinson)- 7.1 miles
50-220	(Wolfe) - 5.2 miles
50-05	(Wolfe) - 6 miles
49-36	(Wolfe) - 6 miles

At a point 3 miles west of Marathon the Committee stopped and viewed a camp being erected for surveying and engineering the road proposed east to White River. Mr. Cash introduced the Chairman, Mr. Roberts, to the resident engineer, Mr. James Bowes. Mr. Roberts introduced Mr. Bowes to the Committee, who agreed not to question him in view of his position as a witness at a pending trial.

After a brief visit to Marathon the party returned via Highway No. 17 and stopped at the Little Pic River for an inspection of the location of a proposed bridge that is to be built. It was stated that plans had not left the planning board for this bridge, which the Committee could readily see would be a most difficult engineering accomplishment due to the large span needed and to the difficulties involved in constructing it.

Mr. Roberts observed that this no doubt was the "missing bridge" which had received so much publicity and that it couldn't be missing if it had never been built and

no monies had been spent for it.

The detour around the Little Pic River was noted as being a very difficult construction project and Mr. Collings requested the figures for the cost of such an undertaking. Mr. Cash stated that the detour had been constructed by Tomlinson Bros. Ltd. on the west arm and by Wolfe Construction Ltd. on the east arm. The baillie Bridge over the Little Pic River and connecting the west and east arms of the detour had been built by the Department of Highways. The cost of construction of the detour was to be given at a meeting to be held on Friday. It was stated that lack of material was also responsible for not proceeding with construction of the bridge.

At this point Mr. Roberts and Mr. Cash, at Marker denoting Contract 50-220, measured the road as being 39 feet from shoulder to shoulder with a 22-foot travel portion. This was taken at the curve into the east arm of the detour.

At a point 3 miles west of the Little Pic River a stop was made at Monument 59, where Mr. Roberts again measured the road. His measurements were read as being 38 feet 6 inches from shoulder to shoulder with a 22-foot travel portion. It was also noted that work on this highway was under the supervision of Mr. Cash.

The Committee noted the rugged nature of the terrain and agreed road construction would be a difficult under-

taking in this portion of Ontario.

A discussion arose as to the building of a tote road into Manitouwage Lake and it was stated that a mining committee had recommended that such be done. The Committee asked if consideration had been given by the Department of Highways to building this road and it was agreed that this question should be asked at a later meeting.

It was unanimously decided that the Committee would return to Port Arthur the next day instead of going to Geraldton as originally planned. It was felt the time saved could best be used for inspection of the Fort William Division establishment in Fort William.

The Committee arrived back at Terrace Bay at 7.00 p.m. where accommodation was provided for the night.

N I N E T E E N T H D A Y .

En route, Terrace Bay to Port
Arthur.

Thursday, June 24, 1954.

- - - - -

The following proceedings were had en route
from Terrace Bay to Port Arthur.

- - - - -

PRESENT:

Mr. A. Kelso Roberts, Q.C., Chairman,
Presiding.

Messrs. Beckett
Collings
Dent
Janes
Mapledoram
Oliver
Wren

Mr. V. J. Johnson, Secretary.

APPEARANCES:

Messrs. E. A. Cash, Division Engineer of
Fort Willliam.

Hugh MacMillan, D.H.O. Engineer

F. C. Flegg, Assistant to Deputy
Minister of Highways.

Harold Broom, D.H.O.

The Committee assembled at 8.30 a.m., Mr. Roberts conducting the party on the trip back to Port Arthur.

Mr. Roberts announced that Mr. G. O'Neil, Reeve of the Township of Nipigon, had requested that he be given an opportunity to meet the Select Committee, and that arrangements had been made for the Committee to stop at the Municipal Building in Nipigon where the meeting would be held.

At Nipigon, the Select Committee were introduced to Reeve O'Neil and to Mr. Thompson of the Nipigon Board of Trade.

Reeve O'Neil outlined a request to the Committee in which it was asked that consideration be given to the building of a development road for a distance of 2.4 miles between Nipigon and Red Rock. He stated that such a road was essential to the economy of the township and that the citizens of both communities would be greatly assisted. Workers in Red Rock are dependent on the hospital in Nipigon, it was stated, and in the future would be dependent on Nipigon for land in which to build homes. Reeve O'Neil read to the Committee correspondence that had been had with Department of Highways officials. He urged that the Select Committee underline his request when recommendations were being considered showing that 7 miles would be saved by building this development road.

Mr. Roberts assured Reeve O'Neil that the Committee would do what it could by drawing to the attention of the proper authorities the representations made at this meeting.

A Map of Nipigon Township showing the proposed road of 2.4 miles, the portion to be improved of 1.5 miles and the old route which is 7 miles longer than the proposed route was filed and marked as Exhibit No. 45.

EXHIBIT No. 45: Brief, Township
of Nipigon,
produced and
marked.

The Committee then returned to Port Arthur where they recessed for luncheon.

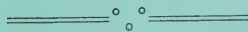


P R O C E E D I N G S

of the Select Committee of the Ontario Legislature appointed to enquire into matters concerning certain Divisions of the Department of Highways.

MR. A. KELSO ROBERTS, Q.C., CHAIRMAN
PRESIDING.

MR. V. J. JOHNSON, SECRETARY.



VOLUME XX

Fort William, Ontario.

Thursday, June 24th, 1954.

T W E N T I E T H D A Y

Fort William, Ontario
Thursday, June 24th, 1954
3:00 o'clock, P.M.

- - - -

The further proceedings of this Committee
reconvened pursuant to adjournment.

PRESENT:

Mr. A. Kelso Roberts, Q.C., Chairman,
Presiding.

Messrs. Collings,
Janes,
Mapledoram,
Dent,
Oliver,
Wren,

Mr. V. J. Johnson, Secretary.

APPEARANCES:

Mr. E. A. Cash,	Division Engineer, Department of Highways, Fort William Division, No.19
Mr. H. MacMillan,	Construction Engineer, Department of Highways
Mr. F. C. W. Flegg,	Assistant to Deputy Minister, Department of Highways
Mr. Laird	Garage Superintendent, Fort William Division, No.19
Mr. Foster Linquist,	Head Mechanic, Fort William Division.

----- These proceedings were held in the garage of the Department of Highways, in the City of Fort William.

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E. A. C A S H.

Division Engineer, Department of Highways, Fort William
Division, No. 19, appearing before the Committee, but
not being sworn, deposes and says:

BY THE CHAIRMAN:

Q Mr. Cash, could you give us in round figures
what equipment you have here?

A We have quite a good deal. We will start
with the Winter equipment. Most of our Fort William
diesels are here now -- four of those. They bring
them in, and get them ready for next year.

We generally find a grader around. I have a
rejuvenated roller.

I would say we have about one hundred units
of equipment -- that is, an approximation.

Q In round figures, what is the value of the
equipment?

A I can get that for you. I do not like guess-
ing at figures like that.

Q Is the equipment you have here sufficient for

the requirements of the Division at this time?

A No. We are short of graders, and we need 3-ton trucks, and snowplow trucks. I have requested them. The system has advanced greatly, and I think you will find that every Division is in the same condition.

BY MR. OLIVER:

Q Is this a need which becomes apparent each year?

A No.

Q You have been requesting equipment every year?

A Most of this equipment was here before I came.

BY THE CHAIRMAN:

Q When did you actually come here?

A In November.

Q In 1953?

A Yes.

Q Is there any material change in the units from the time you came here, up to the present time?

A Oh, yes; they increased a great deal, and we have a few more trucks.

BY MR. JANES:

Q Are any of the trucks used on municipal work?

A Anything used on municipal work, is what we call "pool equipment". You will find a large capital "P"

on the equipment. It does not include trucks. It is mostly loaders and scrapers.

BY THE CHAIRMAN:

Q Does the Municipal Engineer reside in Fort William?

A No, he is in Port Arthur.

Q Will he be here today?

A I do not know about that.

Q Can we have him to-morrow morning, when we commence our meeting at 9:00 o'clock?

A I sent word to him to be available. I spoke to him, but I will call him again.

BY MR. OLIVER:

Q I was wondering about the extent and the type of work your department does for the Municipality?

A In the Wintertime, he requests snowplows occasionally -- whatever he wants. Sometimes we will let him have some of our equipment for widening roads, and snowplowing roads.

In the summertime, it is grading and things of that kind. He can answer that question better than I can.

Q That is done on a rental basis?

A Yes.

BY MR. COLLINGS:

Q Mr. Cash, would you care to express your opinion as to the value of amalgamating the Municipal Division in with the Division Engineer?

A I would not care to express an opinion that might be slightly different from the general one.

BY MR. WREN:

Q Has he any responsibility to you?

A No.

Q He is entirely separate?

A We try to co-operate with each other as much as we can.

BY THE CHAIRMAN:

Q Let us put it differently. Do you think it would be any advantage in the whole, over-all operation of the Department, to have a closer liaison between the Municipal Engineer and your branch?

A Without that little episode at Nipigon, I might have been able to give you an answer. I would not care to say. He is doing a good job here. Far be it from me to criticize.

Q I did not ask you for criticism, one being junior to the other.

A There is no doubt but one is senior, but we are both necessary to the Department of Highways.

Last Fall, some people seemed to be confused, and were holding us up for something, which did not concern my end of it at all.

BY MR. COLLINGS:

Q Would it tend to more efficient service?

A I suppose so.

BY THE CHAIRMAN:

Q With that type of system, you, as the Division Engineer, would have a better picture of what is going on in the other field?

A Yes.

BY MR. MAPLEDORAM:

Q Have you the same situation here as we found at Massey, where the highway equipment was sitting idle? The grader the municipality wanted to get was there working, therefore, they could not get it. Does that happen here?

The municipality would probably be informed that the pool equipment was in use, and they could not get it, but, at the same time, it might be that the grader was not doing anything.

A The pool equipment is under the control of the Engineer, and I am entitled to it if he does not want it, and then if he gives me 6 days notice, he can have it.

Q If he gives you the notice, would you help him

out?

A I would gladly help him out, but this Summer we are very short of graders.

BY MR. COLLINGS:

Q All the equipment is here?

A It is repaired here, and when it is not in use, it comes here.

Q Has he an office in Port Arthur?

A He just has a room in the Court House.

BY MR. MAPLEDORAM:

Q I think it is very apparent that one of the headquarters is here, while the other one is a distance away. If one wants to see the Division Engineer and the Municipal Engineer, they would have to drive for perhaps another ten miles to be able to do so?

BY MR. COLLINGS:

Q In the other Ontario Divisions, are the offices of Municipal Engineer and the Division Engineer combined in one office?

A They are one at Cochrane, and Kenora.

BY THE CHAIRMAN:

Q The same building is occupied by both?

A Yes.

BY MR. COLLINGS:

Q Are there any other northern ones? --

MR. MAPLEDORAM: No, just the two.

MR. COLLINGS: Northern Divisions?

MR. MAPLEDORAM: Yes. There is one over at
Sudbury.

BY MR. COLLINGS:

Q Are they housed there in one building?

A Yes.

BY MR. WREN:

Q How did you find it worked in Cochrane?

A Fine.

Q Better than here? Did you find it more
convenient?

A Oh, much different.

Q More convenient?

A Yes.

BY MR. JANES:

Q Is there any way of a new office being built
here?

A We have quite a large territory, here.

Q Have you not a more organized municipality here?

A Yes. I maintain here a contract assistant.
He is really the municipal research assistant. One man
cannot look after it.

If somebody else was here with me, it would be
a little easier. We have to have a municipal roads

assistant.

Q I can see why amalgamation would work in the other districts, but where you have a number of organized municipalities, it is different.

A Is Kenora as big as this?

MR. MAPLEDORAM: They do not have as many organized municipalities.

MR. WREN: I do not think it is.

MR. MAPLEDORAM: We have about eighteen organized, and some unorganized as well. We are not making use of this amalgamation business, but there is no question there will be municipal authority. You have a good Traffic Engineer, and a Construction Engineer, and a Maintenance Engineer, and with one good man at the top, you at least would know what the Maintenance Engineers are doing.

I may be wrong, but that is my opinion. There would not be anything wrong with the Municipal Engineer telephoning the Construction Engineer, and if he was not here, he could telephone Mr. Cash, and get that information.

MR. JANES: It is too big, is it not?

MR. MAPLEDORAM: We still have a Municipal Engineer, but we cannot get the employees we want.

MR. JANES: He has to go away down to Toronto?

MR. WREN: Why should they go to Toronto?

THE CHAIRMAN: We can go into what is pertinent in regard to that, later.

MR. MAPLEDORAM: I think it would make for better administration. The man we have here, I think is doing a good job under difficult circumstances. He is working out of a hole in the wall.

Mr. Cash is here, and the Municipal Engineer is in Port Arthur.

MR. JANES: You will have the Municipal Engineer in to-morrow?

MR. MAPLEDORAM: Yes.

THE CHAIRMAN: What I would like to get clear at this point is whether throughout all the Northern ridings the District Engineers, and the Municipal Engineers are not in the same centre.

MR. MAPLEDORAM: With their offices in the same building?

BY THE CHAIRMAN:

Q Can you answer that, Mr. Cash?

A I believe they are. I have never been to Kenora.

MR. WREN: In the Kenora Division, the Division Engineer has to work in both districts, in the Rainy River district and in the Kenora district. He has an Assistant Engineer in Fort Frances and in Kenora, who

are subordinate to him, and they report to the Division Engineer.

So, if there is a decision to be made, or a dispute between municipalities, or some difference of opinion, the Division Engineer is in a position to deal with it. He does not have to go to Toronto, and wait two or three weeks for a decision.

THE CHAIRMAN: I think that is pretty well the situation in Division No. 20, but what about the "Soo", or Blind River?

MR. FLEGG: It is the same in Blind River. They are housed in the same building.

BY THE CHAIRMAN:

Q In Cochrane, they are together?

A Yes -- well, it is one man.

Q And how about Timiskaming?

MR. FLEGG: Housed together. North Bay the same.

THE CHAIRMAN: And the Sudbury Division is the same?

MR. FLEGG: Yes, Huntsville is broken down. There is a Municipal Engineer at Parry Sound.

BY THE CHAIRMAN:

Q You say that one of the two Municipal Engineers is along side the Division Engineer?

A Yes.

THE CHAIRMAN: Are there any other questions at this point about the set-up here?

BY MR. MAPLEDORAM:

Q Have any plans been drawn up for your proposed office -- any rough sketches?

A I do not know. It has been turned over to Public Works, and I have never seen them. I hope you will keep after them. There was a plan drawn here a year ago, but nothing has been done about it.

BY THE CHAIRMAN:

Q You came in, Mr. Cash, last November, and we realize the situation was pretty upset at that time?

A Yes.

Q Could you tell us what the set-up was when you came in here -- personally?

A On the maintenance end -- the Maintenance Engineer and myself were started together. There was another chap left for Toronto. Some of the patrolmen were gone. We have been in the process of reorganization, ever since.

We changed the patrol system in order to shorten the mileage, a bit.

Q How many patrolmen have you?

A Twenty-five.

Q Did you have that many when you came in?

A That I cannot tell you. It is quite a job putting sand on the roads, and things of that kind, for a man to look after, say, about 30 miles.

BY MR. MAPLEDORAM:

Q Are you able to equip these men with proper trucks?

A Not yet, sir.

Q How do you do it?

A With rented trucks.

Q From whom do you rent them?

A Anybody from whom we can rent them.

Q Who drives them?

A The owner of the truck drives it.

Q Is he working for the Highway Department?

A The owner of the truck?

Q Yes.

A Certainly.

Q Is he doing anything else besides driving the truck?

A We just rent the truck.

Q Is it your ultimate hope to have more patrolmen and trucks furnished by the Department?

A Yes.

BY MR. COLLINGS:

Q Do we hire those trucks by the day, week or month?

A By the way, these are gravel trucks, so the rate varies.

BY MR. WREN:

Q What is the rate now?

A Last Winter for sanding we paid \$2.75 per hour.

Q That included the drivers?

A Yes. Now they have raised it to \$3.05, and it is now -- I am not quite sure of the last figure. In the Wintertime, it is easy.

Q Normally, the patrolmen drive Departmental trucks?

A Yes, the yellow trucks.

Q A 5-ton truck?

A Yes, but perhaps with 30 miles to look after, we maintain that with two or three men, and a 3-ton truck.

Q And he would drive it himself?

A Yes.

Q And get no extra over and above his patrolman's salary?

A Well, generally we send one man there, who is

sort of second in command.

BY MR. COLLINGS:

Q Mr. Cash, would you have any knowledge of the personnel set-up, prior to your coming here? If not, I will delay that until to-morrow.

A Not very much.

BY THE CHAIRMAN:

Q When you came here, you mentioned that some of these trucks are hired, and there are trucks used by patrolmen. We all know there has been quite a problem in hiring trucks. That matter, I think, will be disposed of in the courts.

Have any steps been taken to make a repitition impossible?

A Yes. To hire a **truck**, a request has to be made out, and passed by what is known as the "Division Equipment Supervisor", in this case, Mr. Long. It is also signed by the Maintenance Engineer, and endorsed by myself, and then that goes to Toronto, and is approved, and comes back.

In the case of an emergency, we do anything that is necessary.

Q Are all those steps necessary?

A Not in an emergency, no. We can telephone.

The payroll and other accounts will be made up here, endorsed by the Maintenance Engineer before I sign them, and sometimes they are endorsed by the Foreman on the job.

BY MR. WREN:

Q You think sometimes they are?

A Yes.

BY MR. MAPLEDORAM:

Q Was that the practice before?

A Yes, you are right. There is a correction there. The time is always signed by the Foreman on the job.

BY THE CHAIRMAN:

Q Are these practices new, since you came here?

A I do not know. How they handle their accounts, I do not know.

BY THE CHAIRMAN:

Q Have you any accounting department here in the Division?

A Oh, yes.

Q Has there been any change in that personnel since you came here?

A Oh, yes. We have a new clerk, and a new assistant clerk, and a junior clerk. He is in charge of the office.

I use the Division Clerk as my lawyer. He is supposed to know all the regulations.

THE WITNESS: How many pieces of equipment have you here?

MR. LINQUIST: I guess it would be close to one hundred.

BY THE CHAIRMAN:

Q Did the clerk who was here previous to the present clerk leave the employ of the Department?

MR. MAPLEDORAM: He is in jail, is he not?

THE WITNESS: He was convicted here, yes.

BY MR. COLLINGS:

Q If we are going into that, I would like to know the whole set-up of the old personnel, and the new. I was going to delay that until to-morrow.

A I have six in the office. You can see the picture there.

THE CHAIRMAN: Is there anything else in regard to this particular set-up?

BY MR. WREN:

Q Would you mind telling what you pay your Division Clerk?

A \$3,300.00. It seems unfair to the rest of the staff, to state the amount.

MR. WREN: I want to see the list of the

salaries paid to the others.

BY MR. OLIVER:

Q I was wondering, Mr. Cash, from the fact that you have so many rented trucks, if what you do represents any change in Departmental policy?

A No.

Q To what do you attribute that?

A We always rented trucks.

Q But you have to pay more, now?

A I said we used more yellow trucks, because we need a few more. I did not say, we had more hired trucks.

I said we had more foremen, and more patrolmen, but I did not say we had any more hired trucks. We got a few yellow trucks. We are trying to cut that down, but on a gravel road we have to have them. The Atikokan road is gravel, and the trucks are needed. I suppose you might call it an "emergency".

BY MR. OLIVER:

Q Have all your patrolmen the use of Departmental trucks?

A No, not all of them.

Q There are some patrolmen who hire the trucks they need?

A Yes.

BY MR. JANES:

Q You do all that gravelling with your own trucks?

A Yes.

Q You do not let a contract out at so much a yard?

A Occasionally, yes.

Q But, generally from stock piles?

A We have a gravel contract now.

Q How does that work out as regards costs?

A At so much a ton. You cannot compare it, because it is an outside job.

Q You can compare the costs, can you not?

A It is difficult to compare the costs, because contracts differ. They might bid underneath our costs.

Q Is that not their own business?

A Certainly.

Q What I am coming at is this; instead of hiring these trucks and hauling the gravel to build roads, would it not be better --

A We get the trucks from places where we think they are reasonable. It is difficult, from a maintenance standpoint.

Q I understand if you are patching a road --

A For instance, these two jobs we are doing now;

I think for a contract it takes time, and you have to advertise. Usually we crushed gravel before advertising. We contract wherever possible.

Q You still cannot give me the costs?

A No, because it depends on the individual bid.

Q I know that they vary.

A Yes.

BY MR. WREN:

Q What is the present contract?

A Eighty-nine cents a ton, crushed gravel.

BY MR. JANES:

Q How far are you hauling it? Does that come into the picture?

A The haulage varies.

BY MR. OLIVER:

Q It is a soft road?

A Yes. Three thousand pounds is a good load.

BY MR. MAPLEDORAM:

Q About \$1.50 per yard?

A Yes. I would like to correct that equipment unit. I find it is one hundred and thirty-one, including everything. That covers a number of the yellow units.

BY MR. OLIVER:

Q Going back to these patrolmen who have no trucks;

how do they patrol their areas?

A A truck picks them up.

Q A hired truck picks them up?

A Yes.

Q When you were in Cochrane, it was unusual,
was it not?

A I cannot say it was unusual. The men have
to do the work.

Q Is it not usual to have a truck pick them up?

A Yes.

Q That is why it is usual -- not to have one?

A I understand they are coming up.

BY MR. JANES:

Q What is the situation? How many casual
employees, and how many permanent employees have you?

A I cannot answer that question. I will see if
I can get it in the office.

BY MR. COLLINGS:

Q Would these patrolmen be patrolling the high-
way with a 5-ton truck?

A With a 3-ton truck.

THE CHAIRMAN: I think, in fairness, these
questions should be asked in the office. He has not
the information here.

MR. JANES: Then, we had better go to the

office.

BY THE CHAIRMAN:

Q Is there anything else here?

A No, I do not think so.

---- The witness temporarily retired.

---- Whereupon a short recess was had, the Committee to reconvene in the office of the Division Engineer, Highway Division No. 19, in the City of Fort William.

- - - - -

Fort William, Ontario,
Thursday, June 24th, 1954.
4:00 o'clock, p.m.

- - -

The Committee reconvened in the office of the Division Engineer, as above noted.

All parties present.

The same appearances as heretofore noted.

- - -

E. A. C A S H,

having been previously heard, now recalled, and not being sworn, continues his deposition as follows:

THE CHAIRMAN: Let us come to order. It is now about 4:00 o'clock.

BY THE CHAIRMAN:

Q Mr. Cash, before we go on I might ask you this; we were discussing the personnel. I think if we can start right at the beginning and find out where the employees are, it might be a good thing.

I would like to know the set-up of the key personnel of this Division in 1953. What was the normal set-up, before you came here?

A Division Engineer, A. M. Mills.
Construction Engineer, H. R. Phipps.

BY MR. COLLINGS:

Q He has been replaced by whom?

THE CHAIRMAN: Let us get the list first, and then we can go on to another phase.

THE WITNESS: There are two Assistant Construction Engineers. One is D. J. Gormley, and the second is Mr. C. A. Gorman.

BY THE CHAIRMAN:

Q They were the two Assistant Construction Engineers?

A That is right.

Over on the other side (indicating) the Maintenance Engineer is J. H. Foreshaw. There are two Assistants, H. P. Sisson, and J. O. Thompson.

Division Clerk, D. F. Cutting.

Assistant Division Clerk, Mr. G. Turner.

Is that enough? There are more clerks
here.

BY MR. COLLINGS:

Q How many clerks?

A Eleven, besides the Division Clerk.

BY THE CHAIRMAN:

Q That includes the Assistant?

A Yes.

Q Ten, besides the Division Clerk and his
Assistant?

A Yes.

Q You have given us the personnel as they were in
those positions prior to the time you came here?

A Yes.

Q Now, will you indicate the changes?

A Division Engineer, myself, E. A. Cash.
Construction Engineer, Mr. C. R. Robertson.

Q He replaced Phipps?

A That is right.

BY MR. WREN:

Q Where did Phipps go?

A He retired.

Construction Engineer - the same; no change.

Q Did you abolish the other job? You had two assistants.

A Actually, Gormley was not used on the Atikokan road. I requested another assistant, and expect I will get one.

BY THE CHAIRMAN:

Q Mr. Gormley is still here?

A Yes.

Q And still occupies the same position?

A Mr. Gormley is being transferred to Chatham. He occupies the position, for the time being. He will be transferred, as of next month.

BY MR. WREN:

Q That is Gormley?

A Yes.

BY THE CHAIRMAN:

Q You are speaking of Gormley?

A Yes.

Q Has Mr. Gormley been replaced by somebody else?

A Not yet.

Q He will be, I suppose?

A Yes.

Q And Mr. Gorman?

A Still with us.

BY MR. COLLINGS:

Q Holding the same position?

A Yes.

BY THE CHAIRMAN:

Q Now, we come to the Foreman.

A E. H. Jones.

BY MR. WREN:

Q Where did he go?

A He is now on construction work.

BY THE CHAIRMAN:

Q He was previously Maintenance Engineer?

A Yes.

Q What is he now?

A Resident Engineer on a construction job.

MR. FLEGG: Correction there, Mr. Chairman.

He is a resident instrument man.

THE WITNESS: Not much difference.

BY MR. WREN:

Q There is a difference, is there not?

MR. FLEGG: He has to be a professional engineer, to be a Resident Engineer.

BY MR. WREN:

Q And he is not?

A No.

BY THE CHAIRMAN:

Q Would that be a promotion or a demotion, or simply a transfer?

A A transfer.

Q Now, as to the two Assistants, Mr. Sisson and Mr. Thompson?

A Mr. Sisson has retired. Mr. Thompson is still with us.

BY MR. MAPLEDORAM:

Q What does Mr. Thompson do?

A He is Assistant Maintenance Engineer.

BY MR. WREN:

Q Is he a professional engineer?

A No. We have in addition now, Mr. R. K. Laloy.

BY THE CHAIRMAN:

Q What is his position?

A Assistant Engineer. Actually, he is a trainee, learning the business. He is Assistant Engineer.

Q You mentioned Mr. Sisson retiring?

A Yes. He reached the retirement age.

BY MR. COLLINGS:

Q Of this total, how many are professional engineers?

A Five; myself, Robinson, Gorman, Jones and Laloy.

That is five.

BY THE CHAIRMAN:

Q Mr. Jones is being removed to Kenora as the
Division Engineer?

A Yes.

Q You do not know how many will be replacing
him?

A No sir.

BY MR. COLLINGS:

Q Of those in 1953, how many were professional
engineers? Was Sisson a professional engineer?

MR. FLEGG: No. He was not -- yet.

THE WITNESS: That leaves four.

BY MR. WREN:

Q Is Mr. Gorman in the construction end of it?

A Yes.

Then there is the Division Clerk, Mr. William
Labraico.

BY MR. MAPLEDORAM:

Q From where did he come?

A The head office.

BY THE CHAIRMAN:

Q He was sent up here by head office?

A Yes.

Q Since you came here?

A He was here when I arrived. Since I came, he has received the appointment.

BY MR. WREN:

Q How old a man is he?

A I guess about 30.

MR. FLEGG: About that, I think.

MR. WREN: Has he any professional training in accountancy?

MR. FLEGG: No. No Division Clerk has professional training. You mean a C.A., or a C.P.A.?

Q Yes. What qualifications do you require of a Division Clerk?

MR. FLEGG: Now, they are writing examinations.

MR. WREN: Let us put it this way; on what would you base a man's ability to handle a job in this big Division? How could you assess him without a professional degree?

MR. FLEGG: He was assessed by the Chief Accountant and the Comptroller of Finance.

MR. WREN: How long has he been with your Department?

MR. FLEGG: I would guess 6 years; I could find that out for you.

MR. WREN: What other formal education has he had?

MR. FLEGG: I cannot tell you that, from here.

BY THE CHAIRMAN:

Q What sort of training did he have at head office?

A He was in the accounting part, payrolls and compensation.

Q He would be an accountant, but not a certified accountant?

MR. FLEGG: That is right. He did accounting work.

THE CHAIRMAN: I would like to know about Mr. Cutting. He is one whose trial has already been held. What qualifications did he have? Can you tell me that?

MR. FLEGG: He had no degree.

THE CHAIRMAN: Did he have accounting experience?

MR. FLEGG: He was hired by the Department. Originally, he worked in the Gasoline Tax Branch. He was working in a position similar to the War Assets in Canada here.

MR. WREN: I am told, Mr. Chairman, that the job here carries a salary of \$3,300.00. Does that include the cost-of-living bonus, or is the cost-of-living

bonus in addition to that?

MR. FLEGG: It was \$3,300.00, plus \$120.00.

MR. WREN: So he got \$3,420.00?

MR. FLEGG: Yes.

MR. WREN: Is that low for that type of responsibility?

MR. FLEGG: It is low. The reason it is low is because he is new.

MR. WREN: Say a man here had 10 years' experience; what would that job carry?

MR. FLEGG: Head Clerk. I have not the classifications here.

MR. WREN: The round figures would be all right, we can get the details later.

MR. FLEGG: It is \$3,300.00, plus the cost-of-living bonus, up to \$4,400.00.

MR. WREN: What was Mr. Cutting getting when he left the Service?

MR. FLEGG: I guess it was \$3,800.00. That is a guess. I can get the file.

MR. WREN: Through his tenure of office, he was in charge of what? Maintenance and Construction accounts?

MR. FLEGG: All accounts, excluding the municipal roads.

MR. WREN: Therefore, Mr. Labraico would be in charge of any accounting and financial records in any part of the Division, having to do with construction and maintenance; in fact, everything except municipal roads.

BY THE CHAIRMAN:

Q On that point in relation to the duties with regard to road construction; I think we had better come back to the Division Engineer on this.

What role does the Accountant in a Division play with respect to the perusing, or certifying to payments to contractors?

A All the accounts of the contracts should go through him to be distributed.

Q Will you just explain that, please?

A In our accounting system --

Q Let us take a specific case. One of the contracts for the Atikokan road, let us say, comes up for monthly payments. Just what does the Accountant in this Division do, in relation to that?

A He puts a stamp on it and makes the distribution. He charges that money out against his funds. allotted in the budget. That passes through our Accountant.

BY MR. WREN:

Q He has no part in making up the requisitions?

A No.

Q He just distributes them?

A Yes.

BY THE CHAIRMAN:

Q He has an auditing status in connection with it at that point, then?

A No. You would not call it "auditing". He has to check the additions, but you would not call that "auditing". The only auditing would be in connection with the accounts of the contractor.

As the tenders and certificates dealing with the tenders increase, it becomes a big part of the distribution to check materials, sundries, construction and engineering.

He would have something to do with the material accounts. He would check those, and he would also check the sundry accounts.

The way we do it now is as follows: If a requisition for monthly payments comes in, the instrument man sends them in, and they are checked by the Construction Engineer.

BY MR. WREN:

Q On the ground, or here?

A He sends them in. The Construction Engineer does not go out on the ground to make any check. In that connection, the Construction Engineer is floating around wherever possible, and checking all the jobs. But it is only paper work.

 The Division Engineer checks them, and he makes out a payment certificate. That is typed, and is brought in here, and I look at it, and then the typed certificate is endorsed by the Construction Engineer, and signed by myself.

BY THE CHAIRMAN:

Q Dealing with the forms which come in, as a result of a contract -- the monthly forms?

A That is what I am talking about.

Q With respect to those forms, the Accountant's duties are purely routine?

MR. FLEGG: Processing only.

THE WITNESS: Yes, he is responsible for those. There are three items, engineering, sundries and materials which he would have for each job.

THE CHAIRMAN: We are looking for information which might help us recommending any practical improvements --

MR. JANES: To follow that up, who does the auditing? Let us see what auditing is done.

BY THE CHAIRMAN:

Q Is there any auditing done in this Division?

A Oh, yes. We run a regular check now. They just left a short while ago. They have been here about two weeks.

BY MR. MAPLEDORAM:

Q The auditors come from Toronto?

A Yes.

BY THE CHAIRMAN:

Q That is a check audit. Is there any auditing done on these forms you have mentioned, in the Division?

A Not yet, but the system now is that Mr. McNab is in charge of what is known as the "Engineering Audit", and he sends a party, who will go out into the field.

Q Mr. McNab is at Head Office?

A Yes. He has auditors under him.

Q That is an engineering audit?

A Yes. On the tender figures, that is the only audit you can make. They are all based on quantities.

BY MR. WREN:

Q Is it still to be the practice that only the Division Engineer's office will make these monthly statements? In the past, it has not been the practice for the Clerk to stamp the accounts. Will that continue?

A As far as I know.

Q Your office will make up the monthly statements?

A Yes.

MR. MAPLEDORAM: You mean progressive payments?

MR. WREN: Yes.

BY THE CHAIRMAN:

Q I want to speak on the accountant's auditing.

Could he see the contracts with all the prices?

A If he wanted to see them, he could. It is of no interest to him.

Q It may not be now, but it may be before we get through. We want the best possible method for the future. At the present time, he does not look at the contract, and has no idea as to what the quantities are, and has no idea of over-runs; he simply processes them?

A That is not required of him. The figures are available, if he wants to see them.

Q But he does not, at the present time?

A No.

BY MR. COLLINGS:

Q Can we find out who prepares the original estimate, as far as this Divisional Office is concerned? What is the procedure?

Let us say they are working on a contract, which we will call "54-105"; what is the procedure, as far as your office is concerned?

A I will give you an example of our last job. We sent survey parties to the field. The location line had already been run, and they proceeded to the field, and took cross-sections.

They plotted the cross-sections, on a cross-section paper, with the aid of the grade which had been set, and they calculated the re-cross-sections.

Then they calculated the volume, and took other data in the field, such as the requirements for culverts and granular material, and what not.

This was prepared in this Division in a little room above the garage. Pre-engineering plans were prepared.

Q From here?

A Yes. Then the whole thing was sent to Toronto. It was checked in Toronto --

Q Pardon me; before it goes to Toronto, are there any total estimates made here in your Division? You go out and determine the quantities, and you determine the particulars, such as rock, stone, and gravel, and so forth? Is that figured out in this Division?

A We estimate a price, and also, at the same time, we estimate these unit prices, and place them on what is known as a "D-4 form", and it goes with the other data to Toronto.

Q On this contract of which you speak, let us assume your estimate for the complete job -- or do you make an estimate, such as, say, \$400,000.00?

A Yes, sir; that is right.

Q You do that here?

A Yes.

Q So here, when the forms and everything pertaining to that contract leaves this office, it was figured at some \$400,000.00?

A Yes, subject to revision at Head Office.

Q Then they go to Head Office?

A Yes.

Q And you cannot know what happens there?

A There was something done. In this case, there was a little argument about grades.

You gentlemen saw the small survey party the other day. We had to see if we could plan our quantities better. We did move it very slightly. We had too much cut. So they send it back, and we had to revise it, and they had to make another estimate.

MR. COLLINGS: Would this be of any help to the Committee? Let Mr. Cash take the contract "49-46". He could bring that here, and show us the pre-engineering services --

THE CHAIRMAN: I think that is a good idea.

But while we are on the subject of audits of the accounts, may I explore that a little bit further?

MR. COLLINGS: We have the contracts made up here?

THE CHAIRMAN: Yes.

MR. COLLINGS: What does the Accountant do with them?

THE CHAIRMAN: I think, from what has been said, the Accountant is not required to do very much more than just process the accounts for payment.

Now, I wonder if the duties of the Accountant in the Division should be extended.

BY THE CHAIRMAN:

Q I will ask you this, Mr. Cash; we are not condoning any past practices, but we are trying to get something which might be helpful in the future.

Where a contract is let for a substantial amount, where there are work orders, over-runs, plans and profiles, and so, forth, would it be impracticable to call your Accountant in and say, "Here is the contract; here is where it is to be, here are the plans of what should be done", and show him the whole set-up, and bring him into the picture at that point for a check?

A I do not think it is needed.

Q Apparently it was very much needed in the past.

I am speaking now in regard to future practice. Is that a practical thing, in an office of this size?

A I cannot see it. Supposing there is something wrong with the quantities, the Clerk cannot tell.

In the case of over-runs, the Clerk would come into the picture, because he could not pass an account through this office for the over-run.

Q You say the Clerk should not see them? I do not agree with you, entirely. It would depend, I presume on where it is.

I am speaking of the over-all picture in regard to the whole Division. Will you not be on sound ground to have a check of that sort of your own figures?

A I would be quite willing to have any checking, if it would be of any help, but I cannot see what good it is.

Q You cannot see what good it is?

A Mr. Flegg has been a Division Clerk.

Q I am not asking Mr. Flegg; I am asking you.

I want your view.

A That is my view, that I cannot see what good it would do. I am willing to be shown, and I will welcome all the assistance I can get.

MR. COLLINGS: Mr. Cash has said the Clerk

or Accountant checks the work orders or accounts with the allotted funds. When you say, "The allotted funds" that is to say would there be set up in your books here, for instance, the four hundred-and-some odd thousands of dollars for a contract?

A Not necessarily. He may just set up \$100,000.

Q You could run on and use up the amount of money which is here, and then you would request more funds to come in?

MR. JANES: I think we should follow this tender through, about which Mr. Cash is speaking.

THE CHAIRMAN: We should try to see the auditing of the accounts.

I want you to understand, Mr. Cash, that these questions are not directed toward the suspicion of anybody. They are to try to find out if there are any practices which could be improved, to avoid possibly any difficulties in the future. And it is on that I wanted your opinion.

You say you do not see how the auditing of the accounts could be of advantage in detecting any possible irregularities?

THE WITNESS: No. I think the Engineer would be the one to catch them. That would be of the most use to me.

BY MR. COLLINGS:

Q When you do become aware there is going to be an over-run on a particular contract, what do you do? Would that show itself to you, as the Division Engineer?

A I want every amount in the contract, when they start a job. The cross-sections have to be made, and the grades set.

I want him to figure these volumes exactly, and check over anything that may be missing, and let me know. If we are going to have an over-run, I want to know just as soon as possible where I stand.

Q If you think there is \$100,000., or \$200,000. on the books here, and that is used up, would it be apparent at the time that there is going to be an over-run?

A Oh, absolutely. That is obvious. If we were over our allotment, there is an over-run.

BY THE CHAIRMAN:

Q Then you come into the question of the authority for the work order, and so forth?

A Yes.

Q Does the Accountant have anything to do with them at the present time?

A He remains in authority of the money. I just

cannot issue any payment certificates, until I get the work order, and get some more money.

Q From Headquarters?

A Yes.

BY MR. COLLINGS:

Q As they go along, they estimate that 25 percent., of the work is done, or 12 percent., of the work is done, before 50 percent. of the money is used up. When we drove along the other day, you said a certain job was roughly 85 percent. finished. Back here in the office, have you ascertained that you have used 85 percent. of your funds -- just approximately?

A The way we do now, we always have a holdback.

BY MR. JAMES:

Q You do not pay the contractor all the money at one time?

A No.

MR. COLLINGS: Mr. Cash keeps saying what they do now. Could Mr. Cash tell this Committee whether he received any written or verbal instructions from Head Office, when taking charge of this Division, which will go to prevent some of the abuses which took place in the past?

THE WITNESS: The chief instruction has been that no payment certificates may be issued which are not

covered in the field by cross-sections, or in the case of crushed rock, by weight tickets. All the work must be measured up before we can issue a payment certificate.

BY MR. DENT:

Q You have somebody in the Department to do the weighing?

A Yes.

BY MR. COLLINGS:

Q Has there been any change made in the accounting end of it?

A I cannot answer that.

Q Have you received any written instructions from Head Office?

A The Accounting is all delegated to the Division Clerk. I know very little about it. We can call him in.

THE CHAIRMAN: We might want to see him a bit later.

BY MR. COLLINGS:

Q Are these clerks not under your supervision?

A Oh, yes.

Q So any instructions as to changes in procedure of the past, would have to come to your attention here, and be passed on to the clerk?

A That is supposed to be it.

BY MR. WREN:

Q Does it or does it not?

BY THE CHAIRMAN:

Q Mr. Collings wants to know if you have had any instructions from Head Office concerning a change in the method of accounting, since you came here?

A I think that is true, but I cannot tell you the details.

BY MR. WREN:

Q May I ask this question? Do you not read all official correspondence of an important nature before you pass it on to your subordinates?

A Oh, yes.

Q Then, you could answer Mr. Collings' question, if there have been any instructions which have originated from Head Office, which had to do with changes in the procedure originally laid down, and so forth.

THE CHAIRMAN: That will all be filed. They can be filed. At the moment, he does not seem to know.

BY MR. MAPLEDORAM:

Q This may not be the right question, but have you any written instructions from Head Office, telling you not to tell anybody anything up here?

MR. COLLINGS: I think Mr. Cash heard our terms of reference on the bus this afternoon.

THE WITNESS: I am not holding anything back.

BY THE CHAIRMAN:

Q I do want to make clear to you --

A I just do not know.

Q Sometimes, you might get a misconception of this whole thing. This Committee is not here for the purpose of trying to "hang anything" on anybody, but to find out what has happened, as far as we can, within our proper scope. At the moment, we are trying to ascertain if perhaps some new things cannot be tried out.

A The only thing I can do is to call the Division clerk.

BY MR. COLLINGS:

Q The Division clerk is a new person?

A Yes.

Q How would he know what went on in the past? Would he know if there had been new instructions issued?

A I think so.

BY MR. OLIVER:

Q I wanted to pursue this estimate sheet, Mr. Cash. You say your men make up the quantities in the field, and then you attach to those quantities, the unit price, which is made up in your office, and you total that up, and it is sent to Toronto, so the \$400,000, about which we have been talking, includes what your

estimates are for the total material to be used, plus the unit price of that material? That is correct?

A I think that is correct.

Q In the past, what has been your experience with regard to unit prices? Have they been very close to the line, or have they been raised at any time in Toronto? What is the picture in that connection?

A What the contractor bids, may vary from our estimate.

Q Has it been below your estimate in most cases, or above?

A Generally, below.

Q It would be below your estimate?

A Not always.

Q Can you show us evidence to that effect?

THE CHAIRMAN: I think we will get that definitely in the record. If we cannot get it now, we certainly will get it before we get through.

THE WITNESS: I suppose I could find a

D-4.

BY MR. OLIVER:

Q These quantities you have included in this total estimate; would there be many variations from those estimated quantities? I mean, Mr. Cash, from the type of engineering and pre-engineering you are doing now.

How far would you be out, as between the estimated and the actual?

A I cannot answer that. That is for Head Office.

Q When you make up an estimate --

A We try to get as close as we can.

BY THE CHAIRMAN:

Q Mr. Cash -- and you may be able to correct me in this -- but I would think, when you sent your men into the field to do as they no doubt do, a thorough job, surely there is a relationship there which is established between the estimated and the actual.

A You mean you are talking about quantities?

Q Yes.

A I thought you meant prices.

Q No.

A Oh, that should be correct -- within 10 percent.

Q You would be surprised if it ran 25 percent. out? On the kind of a job you are doing now, you say it should be within 10 percent?

A The way we are doing it now.

Q Is it a more thorough job you are doing now, than was done before?

A Yes.

MR. COLLINGS: Mr. Oliver, will you ask Mr. Cash this question? When we were dealing with estimates,

he said everything went to Toronto. Would the officials in Toronto, in their judgment, question some of the costs? In practice, do the estimates come back here as correct, or do they question them sometimes?

MR. WREN: Or change them?

MR. COLLINGS: We will have to ask that question.

BY MR. OLIVER:

Q That is a very important point, Mr. Cash. I suppose these estimate sheets you sent down to Toronto, are sent down there for checking, and in the course of the checking, there might be changes made in the unit prices sometimes, and in the quantities sometimes; right?

A I do not know how they could --

Q I am asking you.

A It could happen, I suppose.

MR. JAMES: How could they change the quantities in Toronto?

MR. COLLINGS: Would they send back a requisition here for you to re-check something, where they think you might be low or high? Would they ask you to re-check, before they o.k.'d that final estimate?

THE WITNESS: Oh, yes.

BY THE CHAIRMAN:

Q They might do that? Did it ever come up?

A Yes, quite often.

BY MR. OLIVER:

Q Regarding the unit price, Mr. Cash; are those prices ever changed in Toronto before, as the Chairman suggests, putting their o.k.'s on them? What do you advise for further survey?

If they get an estimate down there that they feel or know from experience is too low, and it is "upped" on the estimate sheet, which I think has happened, what has been your experience?

A They generally call us, and they talk the thing over, and send it back for correction.

BY MR. WREN:

Q Is much of this changing done on the telephone, or by a written order?

A A little of both. I would not hazard a guess.

Q How much of both? Would you say it was half and half?

A Yes, half and half.

Q You get about half of your changes requested by telephone?

A Yes, and they are sent back by mail.

Q You finally get written confirmation of every telephone call?

A Yes.

BY THE CHAIRMAN:

Q Who would talk to you? The Construction Engineer?

A The Construction Engineer, or one of his assistants.

MR. OLIVER: On this last contract about which you were speaking, Mr. Collings, do you recall offhand what the estimated cost for rock was in that contract?

THE CHAIRMAN: He is going to produce the contract.

BY MR. COLLINGS:

Q First of all, will you pick out a contract which has been called for letting.

A This (indicating) has just been called for. I will have to send down another D-4.

Q Just on that point, could we take this one again (indicating)? Supposing I work out the estimate here, and you work out the unit price. We will see that \$1.10 for removing heavy rock is shown.

When that gets down to Toronto, who will question that price as being low, and that you should "up" it a bit?

A I think they would.

Q Has that ever happened?

BY THE CHAIRMAN:

Q Did you ever put one in at \$1.20?

MR. OLIVER: There have been some less than that.

BY THE CHAIRMAN:

Q They have yardage for much less than that?

A I think they would.

BY MR. COLLINGS:

Q They would do that, if they thought you were too low?

A Yes.

BY THE CHAIRMAN:

Q Could we come back to the Division Clerk for a moment? You have told us about Mr. Labraico being the new clerk. The assistant was Mr. Turner?

A He has retired.

MR. COLLINGS: Were any of these men who have retired here when Mr. Cash came here?

THE CHAIRMAN: I will run through them all. I want to know the personnel.

BY THE CHAIRMAN:

Q Mr. Turner has retired?

A He as suspended.

BY MR. COLLINGS:

Q Was he here when you came here?

A No.

BY THE CHAIRMAN:

Q He has left the employ of the Highways Department?

A Yes.

Q Now then, the next name is Gandon? Will you just run through the list?

A Gandon, a clerk.

Q Is he here now?

A No, he also has left.

Q Would you run down the list.

A Mr. J. P. McArthur was payroll clerk. He is still with us.

Q Yes.

A And Miss Stewarton. That is my secretary. She is still here.

Mr. L. M. Laswick, Mrs. Levis, Mrs. Pappas.

Those people were all here before.

Q Is there any other staff? Take the maintenance engineer's staff; have there been any changes in personnel of any consequence, from those who were here before you came?

A I will tell you the patrolmen who have left. Mr. M. J. Robilliard, Mr. L. C. Barrie, Mr. S. J. Ostrum, Mr. G. H. Yates, and Mr. C. Campbell. They are no longer with us.

Q They have left?

A Yes.

MR. MAPLEDORAM: They were suspended, Mr. Chairman.

BY MR. WREN:

Q They were not discharged? Were they suspended or discharged? They were all discharged out of the service, or were they suspended? Which was it?

A I think they are indefinitely suspended. Mr. Yates was not suspended. He quit the job, and died. He was not suspended. That leaves four.

BY MR. COLLINGS:

Q When Mr. Mills came here, how many patrolmen were there?

A Eleven.

Q And how many patrolmen have you now?

A Twenty-five.

Q We have twenty-five now, as against eleven previously?

A Yes.

BY MR. OLIVER:

Q What is the purpose of this great increase, Mr. Cash? I would think they would lengthen the patrolling, rather than shorten it.

A No, the best way is the short patrolling. The way these people were doing, they had sub-foremen under them. I do not think it makes a big difference in manpower.

We find if we have short patrolling, say, for

thirty miles, it is better for administrative purposes. I have always liked it, and my maintenance men like it better, with the shorter patrolling. With the longer patrolling, you are always liable to be in some sort of trouble.

MR. WREN: On these hard-surfaced roads --

MR. JAMES: There are none of them here.

THE WITNESS: We try to have everything work in the same way.

MR. COLLINGS: Let us get that. A patrolman looks after the snow cleaning?

THE WITNESS: He is responsible for everything.

BY MR. OLIVER:

Q In his particular area?

A Yes.

BY MR. COLLINGS:

Q That increase from eleven to twenty-five; was that your own policy, Mr. Cash, or was it from Head Office?

A It is Head Office policy to get these smaller patrolling areas. Your equipment does not overlap another patrol.

The patrolman knows he is responsible for this bit of road, from here to there, and we can pin him down for that particular patrol. Whereas, if you have a longer patrol, there is a tendency to overlap.

BY THE CHAIRMAN:

Q You believe the shorter patrol is the more efficient?

A It is, yes.

BY MR. MAPLEDORAM:

Q Do these fellows all work in any other capacity? They are all new employees?

MR. JANES: It gives the patrolman's duties; should that be changed?

THE WITNESS: No, I do not think so.

BY MR. MAPLEDORAM:

Q They would do other work? Now they call them "Patrolmen"?

A Yes.

THE CHAIRMAN: Your staff will be going home in a few minutes. If we want to speak to the Accountant, we had better do it now.

MR. COLLINGS: Could we have a contract brought in, for instance, this No. 49-26? It is one which is not in question. It is up on the Trans-Canada. That is the road from near Marathon west, and if we ask any questions about it, they will not be taboo.

THE CHAIRMAN: Mr. Cash has prepared a statement we will file as an Exhibit, Maintenance allotments

and expenditures for the years 1953-1954, and 1954-1955, as far as it has gone this year.

We will take the details for the current year. The allotment for 1953-1954 -- that is, to the 31st of March, 1954?

THE WITNESS: That is right.

THE CHAIRMAN: This shows "Total allotment, \$1,282,840., and the total expenditure, \$1,107,930.

Then the allotment for this current year, which is now advanced by five and one-half months, is \$987,000. of which \$221,000. has been expended -- in round figures?

THE WITNESS: Yes.

EXHIBIT NO. 46: Statement of
allotments and expenditures,
1953-1954, 1954-1955 (5½ months)
as identified by the witness
Cash.

BY MR. COLLINGS:

Q On what date was the contract awarded, Mr. Cash?

A It was in 1949.

Q Is it for six miles?

A That is right.

Q And your estimate -- does that show the estimate?

A Yes, it shows the estimate.

Q What is the total estimate?

A The estimate of tender was \$291,935.

Q And what was the completed cost?

A That is one I cannot answer. The figures are in Toronto.

THE CHAIRMAN: That is something we will have to try and get tomorrow.

BY MR. COLLINGS:

Q That was Trans-Canada. Was the estimate of \$291,935. made on Trans-Canada specifications, or Ontario Highway specifications?

A I do not think the Trans-Canada was made up then. I do not believe so.

MR. COLLINGS: What I was trying to get around to, Mr. Chairman, was that I wanted to take up this (indicating) and not the other. I understand the reason given for such a wide over-run, was that after the estimate and tender was let, the highway was changed to Trans-Canada specifications.

Could anybody tell us the date on which the agreement came into effect, changing the specifications to Trans-Canada? I cannot find the Trans-Canada agreement in the files. Would that be here?

THE CHAIRMAN: This is the most easterly of the road-construction jobs we covered yesterday.

MR. COLLINGS: Yes. I would say that was

let prior to the Trans-Canada specifications. I want to know whether the highway was built to Trans-Canada specifications, and, if so, when was the order given to change it? Was the contract half-way along, before the order to change it came through?

THE WITNESS: I cannot answer that.

BY THE CHAIRMAN:

Q Would your files here show that information?

A Oh yes, we have a log.

MR. COLLINGS: Is there anybody left in the organization who might know that? Mr. Gormley? Would he know that? Hewas the assistant. I do not want to bring in anybody who may be a trial witness.

THE CHAIRMAN: This particular thing is not under investigation.

MR. COLLINGS: I looked at contracts 49-36, 52-05, and 52-220.

Here are the senior men, J. F. Caldwell, R. T. Kennedy, R. C. Minniker -- they were instrument men -- M. Michale was a chain man, R. Wright was a rod man, Mr. C. Harvey, and W. Wright, were chain men. Can either of them help us?

THE WITNESS: Harvey is out in Atikokan.

THE CHAIRMAN: Is there anybody in the office, or any files in the office, which can give us the information Mr. Collings is seeking? If not, that is

the evidence on it for the moment.

BY MR. COLLINGS:

Q Would that change be made in Head Office or here?

A In Head Office.

MR. OLIVER: Your records would be here, surely?

THE CHAIRMAN: That is one of the Wolfe contracts. That is not a contract on which there is any charge pending at the present time.

MR. COLLINGS: That is why I mentioned it, Mr. Chairman.

THE WITNESS: See if this (indicating) will help you. Cast your legal mind on this. Here (indicating) is the Trans-Canada agreement, dated the 21st of April, 1950. It came into effect in 1950. So six years back would be the 9th of December, 1948. Is that reasonable? That establishes the fact that it was not a Trans-Canada job.

BY THE CHAIRMAN:

Q That (indicating) is the form they sent on June 8th, 1950?

A There (indicating) is the order-in-council. Would that help you any? This (indicating) is our copy. Every office has one.

MR. COLLINGS: On the front of the contract, it shows it was advertised May 10th, 1949; the contract was awarded on June 21st, 1949, and the date of the expiration of the contract was November 30th, 1949.

THE CHAIRMAN: That is definitely prior to Trans-Canada.

MR. COLLINGS: Yes. If it was prior to that, how could it be built under Trans-Canada specifications? There were no Trans-Canada specifications at that time.

MR. JANES: Not at the time it was let.

BY MR. COLLINGS:

Q Was the contract finished on time?

A It was not finished on time. What is the completion date?

Q November 30th, 1949.

A No. It was not finished on time.

MR. MAPLEDORAM: That is the proposed time, it should have been finished.

MR. COLLINGS: Was it commenced in 1949?

MR. OLIVER: Has it been built?

MR. MAPLEDORAM: We drove over it yesterday.

BY THE CHAIRMAN:

Q When was it started?

A The first payment certificate was for one month, ended July 31st, 1949, so it started in July.

BY MR. COLLINGS:

Q In 1949?

A Yes.

Q When they started, they must have been building it to some specifications?

MR. COLLINGS: Mr. Chairman, would Mr. Cash have the engineering plans here in this office? They would tell us whether it was a 22-foot pavement or not.

THE CHAIRMAN: They started to get some over-runs apparently, in March, 1950.

BY MR. COLLINGS:

Q Was that pre-engineered at a 22-foot pavement?

A There (indicating) is the cross-section.

THE CHAIRMAN: Here (indicating) are the payment certificates you have produced. It would appear there is a stamp on each requisition, a Provincial stamp, from the beginning to August 31st, 1950, but when you come to the payment of September, 1950, you find a Trans-Canada stamp on it, as well as the Ontario stamp. So, up until then, it was Ontario only. So, from and including the month of September, 1950, the Trans-Canada went along with it.

THE WITNESS: Here (indicating) is a copy of a letter dated September 27th, 1950, addressed to Mr. Caldwell -- and it says:

"According to instructions received from A. M. Mills, contract 49-36 is to be finished by Trans-Canada specifications".

MR. COLLINGS: Would Trans-Canada give an order to allow the roadway to be built 20 feet instead of 22?

MR. MAPLEDORAM: Is it not 22 feet now?

BY MR. MAPLEDORAM:

Q Have you a requisition to change it?

A That is the thing. Now it is 30 feet from the edge of the shoulder. That is granular.

THE CHAIRMAN: It is quite apparent the Trans-Canada came into the picture in this contract.

MR. COLLINGS: Yes. There has been some discussion that the reason for certain changes has been because of a change to Trans-Canada specifications.

MR. OLIVER: This is about the only 1949 contract we have. The others are for 1950 and 1951. They would certainly be Trans-Canada.

MR. MAPLEDORAM: We had two more of the Trans-Canada in my riding -- 20 miles -- in the same position as this.

MR. COLLINGS: But all the others in that same section -- for instance, 50-63 --

THE CHAIRMAN: You do not want anything further

at the moment than the fact that it was changed to Trans-Canada?

MR. COLLINGS: I would like to know if 50-63 was pre-engineered to Trans-Canada specifications.

THE CHAIRMAN: Are you content to leave this, that it became Trans-Canada Highway, and there would be additional amounts involved, or do you want to find out what they are, because, to find out the amounts, it would take an accountant to get it.

THE WITNESS: I cannot do that.

MR. OLIVER: Could we have that as a sample contract, showing the unit prices for rock and gravel, and then we could compare it with some of the others.

THE WITNESS: "Clearing, \$50.00 per acre".

"Grubbing, \$35.00 per acre."

"Earth excavation, 57 cents per cubic yard."

"Rock Excavation, \$1.67 per cubic yard." --

THE CHAIRMAN: Just stop there for a moment, please. What is the estimate of rock excavation?

THE WITNESS: 100,000 yards.

BY THE CHAIRMAN:

Q In August, 1953, the rock excavation amounted to 269,000?

MR. JAMES: Right there, to follow up another point, what was your estimate? Is that your estimate,

or the contractor's?

THE WITNESS: The unit price?

BY MR. JANES:

Q Yes.

A That is the unit price.

MR. MAPLEDORAM: He has estimated 100,000 yards and there are 269,000 in August.

MR. JANES: I wanted the spread in that contract between the unit price and what was quoted.

MR. COLLINGS: There is no record in this office of the completed cost of that contract?

THE WITNESS: That is right.

MR. WREN: May I ask a question, Mr. Chairman?

THE CHAIRMAN: Certainly, Mr. Wren.

BY MR. WREN:

Q When a final payment is made on a contract, as this has been, do they not send a copy to the Division Engineer?

A Yes, but we do not finalize. I never have signed the final sheet.

BY MR. COLLINGS:

Q Could it have been finalized without you knowing it?

A No, I am quite sure it has not been as yet.

BY MR. WREN:

Q So we do not know what it cost?

A No.

BY MR. COLLINGS:

Q Would you say 100,000 cubic yards would be a heavy job on that six miles of that section -- to your knowledge?

A My statement is the same as it was yesterday. I am in no position to say what kind of a job it is. The whole road is heavy construction, but that end is lighter than the other.

Q Then would it be a fair question to ask this; with your experience in road building, going back to the early part of 1950, and a part of 1951, do you think you could build a road like you have here, for \$50,000. a mile?

A No sir.

Q Then, who was trying to fool whom, when they said they could build it for \$50,000. a mile?

A Who said that? By what standard?

Q That is what I am trying to find out. It is difficult for me to ask you these questions, but let us take an Ontario specification, like we looked at in the back of the book, which is one of the 30-foot roads. In that terrain, do you think you could build that road for \$50,000. a mile?

A If, with these quantities, you could get this

unit price, yes.

MR. MAPLEDORAM: They apparently made it with these quantities.

MR. WREN: It is three times the amount --

MR. COLLINGS: Just a minute, please, Mr. Wren.

BY MR. COLLINGS:

Q Your estimate was \$291,000. and you said a few moments ago that invariably the contractor's bid would be probably less than your estimate.

BY MR. JANES:

Q That is the contract bid you have there?

A Yes.

THE CHAIRMAN: Based on highway estimates?

MR. COLLINGS: Alright. Have you any record in this office of the Department, of the estimate on that contract?

MR. JANES: That is what I asked for.

THE WITNESS: No sir.

BY MR. COLLINGS:

Q You have not got it?

A No.

THE CHAIRMAN: The Department's estimate, you mean?

MR. WREN: He carried out the figures on this D-4 (indicating).

THE WITNESS: The D-4 is not here.

BY THE CHAIRMAN:

Q You had a D-4 with that contract?

MR. COLLINGS: I would like Mr. Cash to say if, with the conditions prevailing in 1950, he could have built that road for \$50,000. a mile.

THE WITNESS: I am not sure of the correct quantities there, so I do not know. I would not make a guess.

MR. JANES: That is not a fair question. Mr. Cash is not a contractor.

MR. COLLINGS: He has built many highways as the Division Engineer --

MR. JANES: There is no comparison between a contractor and an engineer.

MR. COLLINGS: Surely the Department knows the average cost of building a road, per mile.

MR. JANES: The contractors always bid lower.

MR. COLLINGS: I am not speaking about the contractor. I am speaking about the Departmental estimate. Would not the contractor build it for that amount, because he was getting paid for the over-runs? That is why I have been asking you, Mr. Cash, who is trying to fool whom?

MR. JANES: We will never find out.

MR. WREN: We have been trying to find that out for years.

MR. JANES: To follow that up, you might have 15 contractors bidding on a road, and the lowest bidder would get it?

MR. COLLINGS: It is almost --

THE CHAIRMAN: Gentlemen, we are here to talk to witnesses, and not to get the opinions of the members.

BY THE CHAIRMAN:

Q Mr. Cash, would you continue reading from that document?

A Yes. Earth excavation was 125,000 yards.

Q On this August 31st, 1953 monthly statement, it is apparent the total to that date is 355,000. So you can see from that, there is a tremendous difference between the estimate, and the amount shown here (indicating).

Rock and earth excavation are the major items in the contract. By this time, the contract has increased, to the end of August to \$634,000.

MR. COLLINGS: Mr. Chairman, the reason I am proceeding with this is the auditor presented to the people of the province, a certain number of contracts at an estimated cost of \$35 million, and the total cost of those contracts was over \$50 million. There is

\$15 million of over-runs.

If they are based on figures such as these (indicating), then I think our responsibility is to take that schedule, and bring it up to a proper perspective, and give it back to the people.

MR. JANES: Ever since we started, I have been telling you the figure was entirely wrong.

MR. COLLINGS: Someone is fooling someone on these figures.

THE CHAIRMAN: On the initial figures?

MR. COLLINGS: Yes.

THE CHAIRMAN: I think in regard to that particular case; from the information we have about this particular contract, we have the estimated figure, and we find it changed over to the Trans-Canada, and at the end of August, it has come up to \$634,000 -- up to the end of August, 1953 -- as against the original figure of --

MR. COLLINGS: Roughly, \$300,000.

THE CHAIRMAN: The Trans-Canada change may have accounted for a substantial part of it.

MR. MAPLEDORAM: But that indication was not given, Mr. Chairman.

THE CHAIRMAN: Let us not be confused. We started with the 1949 contract.

MR. COLLINGS: I chose that, because the others were in question.

MR. JANES: I do not suppose you have the 1947 or 1948 contracts? I am trying to get back to the one which was finished, which was low.

---Discussion re certain detours in highways, not reported, by direction of the Chairman.

THE CHAIRMAN: There was an enquiry concerning the Marathon-Terrace Bay contract, 50-63, the Standard Construction Company. This has been supplied by Mr. Cash. It says:

"Not Trans-Canada at the time of letting of the contract. Six miles east of Terrace Bay, started June, 1950, completed May, 1951, finalized, September, 1951".

MR. COLLINGS: There are no figures here, (indicating).

MR. WREN: They are all in the Schedule.

MR. OLIVER: Have we finished with that point?

THE CHAIRMAN: I think so.

BY MR. OLIVER:

Q Mr. Cash, you were speaking of your work before. In your position as a Division Engineer, did you ever do what is known as "Classification"?

A No sir, not in Cochrane.

Q There would not be any there?

A No.

BY MR. JANES:

Q Suppose you ran into a position where you had to make a classification and make a change in the contract; what is the procedure? What would you do?

A I would contact somebody in Head Office, the Construction Engineer, or somebody.

Q You would estimate what it would cost?

A Yes.

Q Would they take your figures, or come out and look it over?

A Generally come out and look it over. It depends on the circumstances.

MR. JANES: I think that is the general plan. I have asked the same question, and received the same answer all along the line.

MR. WREN: Mr. Millar was very insistent that the Division Engineer classified.

MR. JANES: But he sent them in for approval.

MR. WREN: That is where he raised the point that the engineers had to be trusted. We asked him that three times.

THE WITNESS: I have been a Division Engineer for only a short time.

THE CHAIRMAN: I think perhaps the point there is this; Mr. Cash has said he has been a Division Engineer for a short time, and he has not himself put in any classification figures.

MR. OLIVER: I imagine in the Cochrane area the need for classification would not be as great as it is here.

MR. COLLINGS: Is there any instruction from Head Office now, in regard to classification? Are you authorized to do it, or do you have to ask Head Office?

THE WITNESS: I have to ask Head Office. In building construction, there is no classification. I understand the latest specifications will be, for instance, "rock of one yard or over", or "boulders of one yard or over", and that will be it. Anything under that will be "dirt".

That is the way we estimate the D-4's.

BY THE CHAIRMAN:

Q Who will make that classification?

A There will not be any from now on.

BY MR. COLLINGS:

Q That is a good thing to know. When I asked concerning the changes and the cost, that is what I wanted to know.

A There are so many changes, I am afraid I

cannot remember them all.

BY MR. JANES:

Q We were told when moving earth, and coming to rock, if the rock came over a yard, you would allow a classification as rock?

A Yes, and keep careful note of each.

Q That is, "Classification", is it not?

A No, it is boulder quantity.

Q But you pay them as moving rock?

A Yes.

BY THE CHAIRMAN:

Q You say they move the boulders as rock?

A Yes. I may be slightly incorrect on that. The boulder quantity would amount to about one-half of one percent.

MR. JANES: We got the same information in New York.

THE CHAIRMAN: And I think it is true that the classifications in regard to boulders is only a very small percentage.

BY THE CHAIRMAN:

Q Is that what you are saying, Mr. Cash?

A Yes.

BY MR. OLIVER:

Q What would be your definition of "Classification"

as it existed, say, prior to six months ago?

You say there is virtually no classification except as it applies to boulders. What was it before that?

A It was the percentage of earth yardage, which was called rock.

Q What would be the purpose of that?

A To give you an example, a very difficult cut.

Q It would be, in effect, a measure of compensation to the contractors?

A Yes.

Q Because of what he had encountered?

A Yes.

BY MR. DENT:

Q Where he had to dynamite it, and blow it to pieces, or take it out with shovels?

A Yes.

BY MR. OLIVER:

Q To follow that up; who would have such leeway that they could do this classification in a Divisional set-up, Mr. Cash?

THE CHAIRMAN: Whose responsibility it would be for deciding on this question of classification?

MR. OLIVER: Yes. I think he probably could tell us about it as he saw it, but in this particular

case, he is changing earth into rock.

THE WITNESS: To tell you the truth, Mr. Oliver, I do not know how it was carried on. It would certainly be at the Division Engineer level. I presume the authority would come from Toronto. That is what I have done.

THE CHAIRMAN: That is what I want to get at.

MR. OLIVER: I think all of us want the same thing.

THE WITNESS: I was not Division Engineer on the occasion when the job started.

BY THE CHAIRMAN:

Q So you have no personal experience, as to where that condition came up?

A No.

MR. OLIVER: I think we had better leave it at that.

MR. WREN: We do not want hearsay testimony.

---A discussion re bridges, was not reported, by direction of the Chairman.

---The witness retired.

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WILLIAM LOBRAICO,

Accountant, Division Office No. 19, Department of Highways,
a witness appearing before the Committee, but not
being sworn, deposes and says:

BY THE CHAIRMAN:

Q Mr. Lobraico, we are just trying to see if
there is any improvement in checking in the Division in
relation to contracts which are let, apart from the
ordinary maintenance, and your own engineering accounting,
and we thought we would like to talk about that with
you for a few moments.

As I understand it, at the moment there is
no responsibility on you except to process the monthly
payments? You are not expected to assume any responsibility
for the accuracy of the quantities, or anything of that
sort.

I was wondering whether, from your experience
in accounting, you could see any procedure which you
might carry on which might help as a general check on
that sort of thing?

A I do not think so. Unless I was familiar
with some of the engineering routine, I do not think I
could do very much, because I would be only taking some-
body's word for any figures I would get, anyway.

BY MR. COLLINGS:

Q Were you here when Mr. Mills was in charge?

A No.

Q When did you come here?

A The 1st of October, 1953.

Q Since your coming, have you received, through Mr. Cash, or from the Toronto Head Office, any specific instructions to change the methods of accounting which were in operation when you took over?

A You mean through different contracts? Including everything?

Q Yes; anything dealing with your department.

A Yes, we have had instructions from Head Office in regard to the hiring of equipment. Our routine has been changed along those lines.

All of our trucks have been required to have a P.C.V. license, as they felt that would eliminate some of the trouble we had up to that time.

We have also instituted a patrolmen delivering the cheques. We take one patrolman at each pay period, and he delivers the cheques personally to the men, and they have to sign for them.

BY MR. JANES:

Q How was it done before?

A I cannot say whether they were delivering them at all. They were supposed to be getting Toronto cheques, particularly the patrolmen, as we have

quite a number of casual employees. With our monthly men -- which would apply more to contracts -- we are not too worried about them, because we have to go through more routine someone on a monthly rate.

BY MR. COLLINGS:

Q Do you consider the instructions you have received would tend toward a tightening up of the regulations, over those which prevailed when you came here?

A Yes, I do.

BY MR. MAPLEDORAM:

Q What makes you say the P.C.V. licenses will clear up some of your difficulties?

A It prevents us from hiring certain trucks.

Q I know, but the requirement that they must have P.C.V. licenses seems to be pretty stiff. It is not everybody who can get one.

A I do not think a class F.C.V. is very difficult to get.

Q What are the requirements for a P.C.V. license?

A You have to have \$5,000. personal injury, and \$5,000. or \$10,000. property damage.

Q You say the only thing they have to have is insurance?

A They have to make application to the Municipal

Board, through the Motor Vehicle Branch.

Q Anybody can do that?

A I think so.

Q How is it then, a great number of people are turned down?

A They have to have a letter saying they are going to be employed on highway work.

BY MR. COLLINGS:

Q Is there no chance now of a missing truck getting onto the payroll?

MR. OLIVER: Be careful, now.

THE WITNESS: I do not think so, at the present time.

BY MR. OLIVER:

Q In regard to these P.C.V. licenses; I think I see Mr. Mapledoram's point. A chap out in the country might want a few days' work on the roads, but he has no P.C.V. license, therefore, he cannot get any work on the road.

Before he gets it, he has to see the man who authorizes a request from your Department, and he would have to send that to Toronto, and they might perhaps give him a P.C.V. for that particular purpose?

MR. MAPLEDORAM: The majority of them cannot get the heavy work, because they cannot get a P.C.V.

license.

There is no possibility, as there was, for a patrolman hiring casual trucks. If he wanted to haul some snow fencing for a couple of days, he would go to somebody close by, and rent a truck.

I am not condoning that fact, but I think it is a hardship on the people in the country, where they cannot get their trucks on the road because they have no P.C.V. license.

I have had them coming to me for jobs many times.

MR. JANES: If a man comes to you for a job, who has an application in for a P.C.V., you would put him on?

THE WITNESS: If we had much work for him, possibly we would, yes.

BY MR. MAPLEDORAM:

Q You are not setting up a preferred class of people? In other words, you are not putting them in the big trucker list?

MR. COLLINGS: I think if the previous practice led to some abuses, it may be a little stiffer to get work, if you stiffen up the regulations.

MR. MAPLEDORAM: I do not "go along" with you on that, Mr. Collings. I think it is a matter of

supervision. The trucking men could not get into trouble, if the foreman was not looking for a chance to get him into trouble.

In this country, some of the people have relied on this work for their livelihoods. They are pulp-wood operators, and are looking for some help to keep their people going.

THE CHAIRMAN: Mr. Mapledoram, do you suggest that this present set-up should be continued?

MR. MAPLEDORAM: No. But I think it is a hardship on the people in this area.

MR. WREN: That is decidedly the feeling of our settlers.

MR. MAPLEDORAM: It is no fault of theirs, that there was something going on in connection with the highways.

MR. WREN: We are punishing our settlers for the misdeeds of some individual department.

MR. JANES: Mr. Lobraico just said if a person comes in with a truck, and wanted a job, and he put in an application for a P.C.V. license, he would give him a job.

MR. MAPLEDORAM: If the Statute Labour Board, 40 miles out, wanted to hire a truck, they have to come here, to get their P.C.V. licenses. They could not get

a truck in there to help move snow fences for two or three days.

THE WITNESS: The Municipal Engineer would be involved there. We do not have anything to do with it. He comes under the same regulations.

MR. JANES: That is the curse of the P.C.V. licenses all the way through. If they think they might take a man on , who has not a P.C.V. license, and some neighbour wanted to complain, they would order the police to pick him up.

MR. MAPLEDORAM: The ones being penalized are not working on the highways at all. They are working on the municipal roads.

MR. COLLINGS: Could we not work out a system where you would have an approved list of trucks in the area?

MR. WREN: All they have to do is to use the system they used many, many years ago, when I was a little boy. Each truck driver got a little plate annually indicating that the truck had been registered with the Department. If he started acting up, the plate was taken away.

MR. COLLINGS: Some system like that could be worked out.

MR. CASH: Was there not a letter came through

the other day saying this did not apply to municipal roads?

THE WITNESS; You had a memorandum that we shall require a requisition to hire municipal trucks, but they still require the P.C.V. licenses.

BY MR. WREN:

Q Mr. Lobraico, how long does it take to get a P.C.V. license? If somebody applied to you this morning, how long would it take?

A I do not think it takes too long, but it takes a little while for the actual license to come back, but usually an approval by the Motor Vehicles Branch comes through pretty fast.

BY MR. OLIVER:

Q If you had two or three days' work for a man, you would not get a P.C.V. license for that?

A No.

MR. MAPLEDORAM: Mr. Cash knows I am interested in this. It happened last fall. Certain people went to rent a truck, and they could not rent it, because they did not have a P.C.V. Mr. Cash says they can get it in an emergency, but I have seen them having to come in two or three times to get a license.

MR. COLLINGS: Why not work out some system --

MR. MAPLEDORAM: I am not objecting to the

system. I can understand why they want P.C.V. licenses.

MR. DENT: That was because there have been some trucks which actually were not in existence, and they now know the ones they do hire, are in existence.

From your angle, Mr. Mapledoram, I agree with you, 100 percent.

MR. MAPLEDORAM: It is causing a hardship.

BY MR. MAPLEDORAM:

Q With regard to the contractor: if he has trucks working on the road, does he have to have P.C.V. licenses?

A Not his own equipment.

Q I do not mean that, but if he was working on a municipal road, not a main highway?

A If he had a contract to do some work, I do not think he would.

MR. JAMES: The police could pick him up at any time.

THE CHAIRMAN: He has to have proper insurance, and that sort of thing.

MR. COLLINGS: Supposing Mr. Mapledoram brings that up at our meeting next week, and if we think we can recommend something to overcome that hardship, we might do it.

MR. MAPLEDORAM: I do not wish to interfere with

anything by way of improvement, but what you are doing is looking after the favoured few. There may have been something wrong a year ago --

MR. OLIVER: Punishing the hundred for the misdeeds of one.

MR. MAPLEDORAM: That is right.

BY MR. JAMES:

Q Who is your boss? Do you report to Mr. Zoller?

A As far as I can understand from accounting practices, until the new set-up, which is supposed to come into effect next month some time, it was Mr. Teasdale, the Chief Accountant, to whom I was responsible.

But, to Mr. Cash, as far as my routine here in the office, and my behaviour -- I am responsible to him.

Q You are not under the accounting system in Toronto?

A Oh yes.

THE CHAIRMAN: There is one thing in connection with it, and we want to endeavour to set up the best possible system, and I will ask Mr. Cash, to see if Mr. Lobraico can take a look at the forms, and see, as a young accountant, if he can make any suggestions about the wording, and the details or lack of details,

and give any suggestion in regard to the forms which may assist us in pointing out any possible changes in the procedure from month to month.

I do not mean to do it now, but to ask him to study it, and let us hear from him a little later.

I still have the opinion -- although it may not be practical -- that in an organization such as a Division, there is a place for an accountant to look at the records, as they go through, and as they are being processed, ~~as~~ it may be that in going through the records, there may be something shown where changes might advantageously be made, and we could also learn where the authority came from for the changes having already been made.

MR. MAPLEDORAM: On this particular question, Mr. Chairman, I think there is too much centralization, and that a little more decentralization in the Division Offices would be of advantage to everybody, to the contractors, and to the people.

As far as I am concerned, there is too much centralization in Toronto, and not enough Divisional responsibility.

THE CHAIRMAN: I think you are right.

MR. MAPLEDORAM: The Hydro people took advantage of that, and moved the whole northwestern section to

this part of the province.

BY MR. OLIVER:

Q Do you feel, in your accounting work, that it is helpful to get out into the field, and see the construction jobs and the work of the Maintenance Department?

A I have not really had a chance to do that, but I think it would.

BY MR. WREN:

Q You said, Mr. Lobraico, that in connection with the issuance of cheques, you utilize the services of one patrolman every month?

A Yes.

Q And you make out a cheque for that one patrolman?

A Yes.

Q What happens to the others?

A They are mailed out individually.

THE CHAIRMAN: Mr. Lobraico, will you give a little thought to the matter I have mentioned, and let us know, through Mr. Cash, as soon as you can?

THE WITNESS: Yes, I will do that.

MR. OLIVER: Is the accountant aware of the new method about to come in -- in a week or so?

BY MR. OLIVER:

Q You said there were going to be some changes

in the accounting methods. Do you know what they are?

A I was referring to the whole accounting section coming under Mr. Zoller. Before that, it was Mr. Teasdale.

Q It will then be a question of personnel?

A Yes.

---The witness retired.

THE CHAIRMAN: Gentlemen, I think we have had a useful afternoon here. We will continue tomorrow morning at nine o'clock, and deal with any municipalities who want to send in representatives.

MR. MAPLEDORAM: I have asked my municipality to send somebody, if they wanted to bring up anything.

THE CHAIRMAN: The Municipal Engineer will be there?

MR. CASH: Yes.

THE CHAIRMAN: We would like to see him there, Mr. Cash.

MR. FLEGG: Nine o'clock, at the City Hall, tomorrow morning?

THE CHAIRMAN: Yes, in Fort William. After we have finished with the Municipal officials and members of the Councils, we will continue this discussion of today, if there is any additional information available.

MR. MAPLEDORAM: What do you think about a new office for the Highway Department?

MR. WREN: I think, Mr. Chairman, it should be moved. I have worked all my life in offices, and I would hate to have to do the volume of work they do here, in this limited space which is available.

THE CHAIRMAN: What do you think, Mr. Cash, about a new location?

MR. CASH: I heartily agree. I have recommended a location on our own property.

THE CHAIRMAN: Is there anything else at this point? We thank you, Mr. Cash, for the opportunity of coming here and having this little talk this afternoon.

Mr. Cash has had questions fired at him from all angles, and that is not normally his role, but it is all in the interest of building up a better organization.

MR. WREN: Have you a Mr. Marhan on your staff?

MR. CASH: Yes.

MR. MAPLEDORAM: Yes, he is on the highway patrol.

THE CHAIRMAN: Are these maps a matter of any interest to us?

MR. CASH: I just set up this system by myself. We have the whole set-up; it is east of White River.

THE CHAIRMAN: Does that include the other Districts?

MR. CASH: Yes, we are looking after all of it.

I have a clearing contract going on right now for 10 miles, from White River eastward. I understand we will be looking after the construction shortly. We have a camp there.

THE CHAIRMAN: On these maps, have you indicated all the spots where work is going on?

MR. CASH: I am just building it up. It was not here before.

THE CHAIRMAN: Could you turn to the one we saw yesterday. We only had a glance at it, and some members of the Committee might be interested in further details. That is the Atikokan one.

MR. CASH: Here (indicating) is the Atikokan road.

THE CHAIRMAN: It is marked on there in sections?

MR. CASH: Yes.

THE CHAIRMAN: That is being called through

your Division?

MR. CASH: Yes.

THE CHAIRMAN: You are really joining up
the Trans-Canada in Ontario?

MR. CASH: No. There is another mileage over
at Chapleau. I do not think you will see it on this map.

THE CHAIRMAN: Thank you again, Mr. Cash.
Gentlemen, we will adjourn until nine o'clock tomorrow
morning.

---Whereupon at 5:58 o'clock p.m., the further proceedings
of this Committee adjourned until Friday, June 25th,
1954, at nine o'clock in the forenoon.

- - - - -

---While proceeding on the bus to Port Arthur, the
following announcement was made by Mr. Flegg:

THE CHAIRMAN: I think Mr. Flegg has an
announcement to make, gentlemen. Perhaps it may be
made at this time when the Committee is alone.

MR. FLEGG: While in Fort William, I examined
the individual files, and I found under "Head Office"
that they have prepared a Form 3, in reference to the
four men who were under suspension, and I ascertained
that their services were terminated on the suggestion
of Mr. C. A. Robbins, the Chief Engineer of Maintenance.
That was sometime after they were suspended.

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P R O C E E D I N G S

of the

**Select Committee of the Ontario
Legislature appointed to enquire
into matters concerning certain
Divisions of the Department of
Highways.**

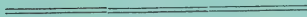
MR. A. KELSO ROBERTS, Q.C., CHAIRMAN

PRESIDING.

MR. V. J. JOHNSON, SECRETARY.



VOLUME XXI



Fort William, Ontario. (MORNING)

Port Arthur, Ontario. (AFTERNOON)

Friday, June 25th, 1954.



N O T E

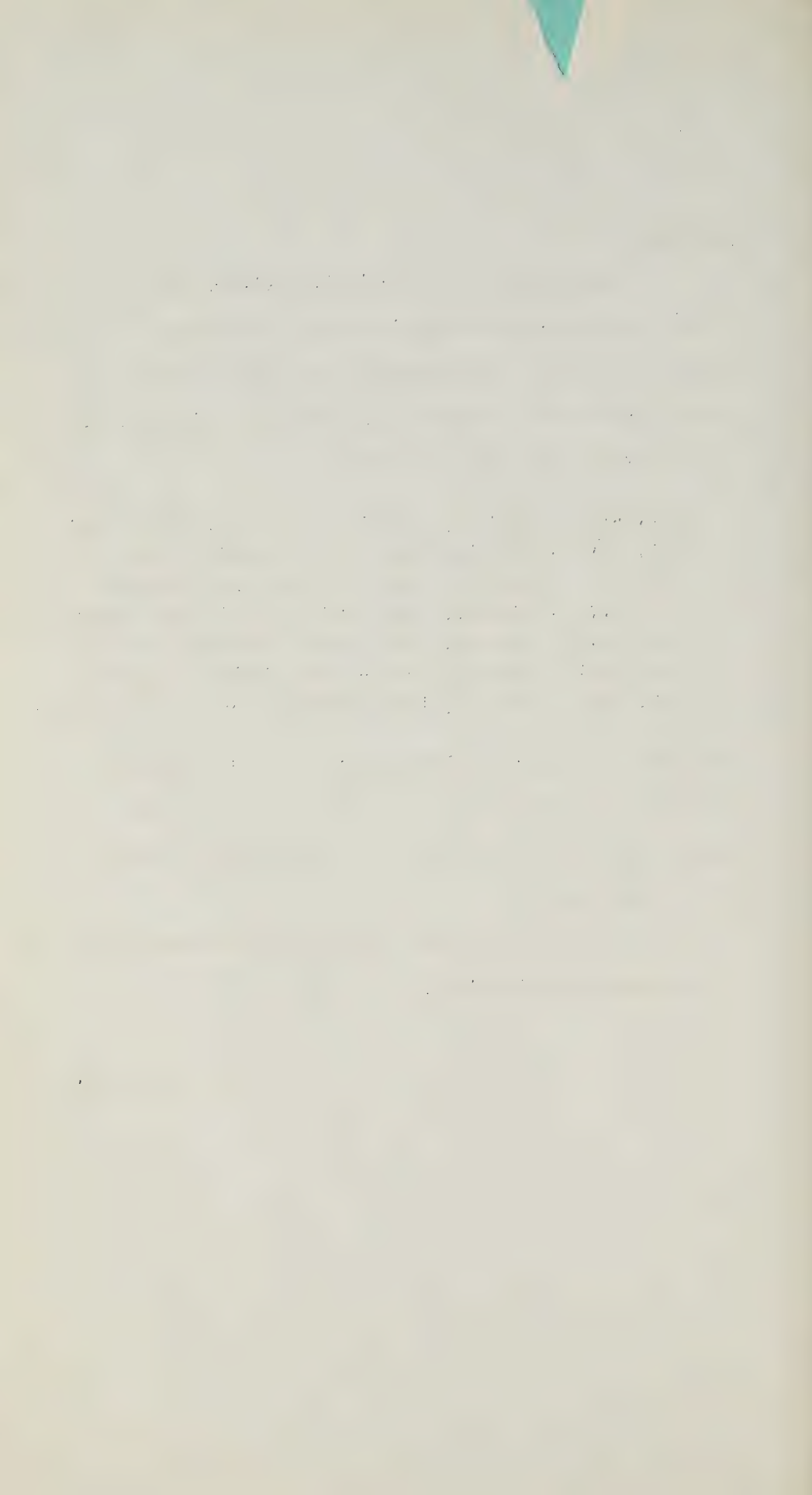
Space has been left in the transcripts of the Committee's proceedings for the following volume, containing the Secretary's reports of proceedings had by the Committee en route from Bismark, N.B. to Port Arthur, Ontario, as follows:

VOL. XIII - JUNE 18, 1954 - BISMARCK TO FORT FRANCES
VOL. XIV - JUNE 19, 1954 - FORT FRANCES TO RED LAKE
VOL. XV - JUNE 20, 1954 - AT RED LAKE, ONTARIO
VOL. XVI - JUNE 21, 1954 - RED LAKE TO PORT ARTHUR
VOL. XVII - JUNE 22, 1954 - PORT ARTHUR TO ATIKOKAN
VOL. XVIII - JUNE 23, 1954 - PORT ARTHUR TO MARATHON
VOL. XIX - JUNE 24, 1954 - TERRACE BAY TO PORT ARTHUR

The Minutes of which will be incorporated in the proceedings of the Committee as and when they have been approved by the members thereof, and officially signed by the Chairman.

This will account for the page numbers being out of chronological order.

The Reporter.



E R R A T A

Through an inadvertence, the attendance of Mr. Peter Wright, Q.C., representing Honourable Mr. Winters, Minister, Federal Department of Public Works, was omitted from the list of appearances at the hearing of the Select Committee in Toronto, Ontario, Tuesday, June 15th, 1954. (Said list of appearances appearing on pages 925 and 926 of the proceedings).

Mr. Wright was in attendance at this hearing, and the omission of his name from the list of those present is very regrettable.

T W E N T Y - F I R S T D A Y

Fort William, Ontario,
Friday, June 25th, 1954,
9:00 o'clock, a.m.

- - - - -

The further proceedings of this Committee
reconvened pursuant to adjournment.

P R E S E N T :

Mr. A. Kelso Roberts, Q.C., Chairman,
Messrs. Beckett, Q.C., Presiding.
Collings,
Janes,
Mapledoram,
Dent,
Oliver,
Wren,
Mr. V. J. Johnson, Secretary.

A P P E A R A N C E S :

Mr. George Wardrope, M.P.P. (Port Arthur)
Mr. Lee Noke McComb Township
Mr. Jarvis McComber, Q.C.,
Mr. M. D. Taylor, Manager, St. Lawrence Corp.,
Mr. Gordon Carson, Mayor, City of Fort William.
Mr. Pressman, Geraldton, Ont.
Mr. Alex Purcette, Geraldton, Ont.
Mr. Peter Wright, Q.C., for the Honourable
the Minister of Public Works,
Ottawa.

Mr. L. T. McCue,	Nakina
Mr. Zeckner,	Nipigon
Mr. G. O'Neil	Reeve, Nipigon.
Mr. R. J. Prettie	President and General Manager, Northern Wood Preservers.
Miss Catherine Sepella, Alderman, Port Arthur.	
Mr. M. A. Chadwell,	Secretary, Northwestern Ontario Manufacturers Association.
Mr. M. Vibert,	Past-President, Northwestern Ontario Manufacturers Association.
Mr. Alan Grant,	Reeve, Neebing Township.
Mr. Harry Wakefield,	Reeve, Shuniah Township.
Mr. Earl Smith	District Road Engineer, Department of Highways, Fort William.
Mr. Frank Moore	
Mr. Harvey Johnston,	Fort William Chamber of Commerce.
Alderman Young	Fort William
- - - -	

THE CHAIRMAN: Ladies and gentlemen, I think it is time to call the meeting to order. We have passed the nine o'clock hour.

There are a number of delegates who will be introduced and we will be very glad to hear from them.

I think, however, before we do that, I would like to make a ruling that we hear the delegates first, and then deal with any other matters later.

The first order of business this morning will be to deal with delegates in Fort William and Port Arthur ridings, and perhaps Mr. Mapledoram will take over and introduce them in the order they are to be called.

MR. MAPLEDORAM: I believe the delegates from the Northwestern Municipal Association, headed by Reeve Grant, of the municipality of Neebing is first, and I believe he will speak for the delegation.

If more than one in a delegation wishes to speak, an opportunity will be given for you to be heard, together with your spokesmen.

I would suggest that Reeve Grant come forward and present his case to the Committee.

A L A N G R A N T,

Reeve, Neebing Township, for the Northwestern Municipal Association, appearing before the Committee, but not being sworn, deposes and says:

BY THE CHAIRMAN:

Q We will be glad to hear anything you may care to say, Mr. Grant.

A Mr. Chairman and gentlemen, speaking for the Northwestern Ontario Municipal Association, there is only one "beef" which I have, and it is quite a bone of

contention in all our northwestern territory, and that is pertaining to the discontinuance of the snowplowing of the rural areas, that is, the unorganized areas.

This will prove quite a hardship all around, and if something can be done about continuing the snowplowing, we would be pleased to have that taken care of.

I have no prepared statement with me, not having had the time to make one, as I did not know I was going to be called upon to appear here until about two days ago.

As I say, about the only "beef" we have is regarding the discontinuance of the snowplowing in northwestern Ontario.

BY MR. COLLINGS:

Q Would you be good enough to tell us how it was handled in the past, and why it is not so handled now? What service were you getting?

A I represent an organized municipality, and it did not affect our municipality, but it does the unorganized ones. I do not know just what the set-up was on that.

MR. MAPLEDORAM: I believe the point Mr. Grant is mentioning, is about the same condition as that which we met in Massey, Fort Francis and Kenora.

As far as I can understand, it goes really to the municipalities being billed for the actual time put on the job, at a certain rate with vehicles rented by the Department. They have now been notified by the Department of Highways that this procedure will be discontinued, and they will be charged at the rate of \$250. per mile.

It was pointed out at Fort Francis, that this will inflict a hardship, as far as the smaller municipalities are concerned, as it would mean they would have no snowplowing.

I think the same thing applies in the Fort William district, and in the Sudbury district, where we met the delegation from Massey.

I think you may get other figures on that, as Mr. Smith had the requisition for the equipment.

Mr. Smith, would you like to give the Committee a little more information?

MR. SMITH: Mr. Chairman, ladies and gentlemen; a great many of our townships in the district are what they call "Statute Labour Townships", and have not a great deal of money to buy their own equipment, and the Statute Labour Townships, and some of the unorganized municipalities, have not the money necessary to do the plowing in winter time. In nearly every case,

they have a small drag plow, which can keep the road open, but they have no heavy equipment to go in two or three times and widen up the road.

They have been using the equipment, when it was available, but it was understood we could not use it until the main roads were open. This has worked out very satisfactorily, but I understand this coming winter, this practice will be discontinued, and it will be a serious hardship on these poor townships, and I do not see how they can keep their roads open after a heavy snow fall.

In the summer time, the equipment is available, and the townships use that pool equipment, at the low cost of \$4.00 or \$5.00 per hour, but in the winter time, the cost for using snowplows has been \$10.00 or \$11.00 per hour.

The municipalities thought it a high price, but they were willing to pay it, if they could get the service.

It will be a hardship if they cannot get it during the winter.

MR. WREN: Mr. Smith, you have the equipment available to look after the requirements, the same way as you did in the past?

MR. SMITH: The equipment is available in this

way: The Department of Highways have certain plows, trucks, and graders, which are used when a snow storm comes, and a good job is done, because the roads are opened very quickly.

After the snow storm is over, the equipment is idle until they have another snow storm. That is the period during which these townships have been using this Departmental equipment.

MR. WREN: There is no call for the equipment, and there is no reason why the policy heretofore cannot be carried out in the future.

The Division Engineer in Kenora could see no reason why they could not have the equipment and the man power to carry on the work.

You feel it is the same thing here, Mr. Smith?

MR. SMITH: Yes, and we think it is better to keep the men employed than have them waiting around for another snow storm.

MR. WREN: In Kenora, they said they found the cost running from \$15.00 to \$16.00 per mile -- an average of about \$12.00.

Have you any idea where they secured this \$250. a mile?

MR. SMITH: I think it was put on to discourage the townships from using the equipment.

THE CHAIRMAN: I think, Mr. President of the Association (Mr. Grant) and Mr. Smith, that this Committee has dealt with this two or three times, and heard the representations, and I think I can speak for the entire Committee, when I say we would like to see the practice ^{continued} of allowing the municipalities to have the use of that equipment at a reasonable rental, whenever it is available, and not needed on Provincial business or on Provincial highways. That will be passed on in that form.

Is there anything else, Mr. Grant?

THE WITNESS: No, but I am glad to hear it will be carried on, because we have an executive meeting in Fort Francis tomorrow, and I know this matter will be on the agenda.

In fact, there is a resolution from the Kenora Association to that effect.

THE CHAIRMAN: I suggest you keep on with the pressure through your executive, and this Committee will pass on the recommendation, that the former practice be continued.

---The witness retired.

FRED CHADWELL,

Chairman of the Thunder Bay District of the Municipal League, Fort William, Ontario, appearing before the

Committee, but not being sworn, deposes and says:

BY THE CHAIRMAN:

Q What do you wish to say to us, Mr. Chadwell?

A Mr. Chairman, and members of this fact-finding Committee: I was Secretary of the Municipal League, and I have here copies of the minutes, which contain several resolutions.

I ask you gentlemen to give consideration to these, and to assist you, I have here three or four spare copies, so the Chairman of your Committee and the members can read it at your leisure, and not take up too much of the meeting's time.

One of our strong "beefs" has been dealt with. It was brought up by Mr. Grant, and Mr. Smith, who explained about the snowplowing business.

In this district, the discontinuance of the use of the snowplow equipment, --especially amongst the smaller townships and the Statute Labour Townships -- will cause considerable hardship, if adhered to, because the townships and the Statute Labour Townships cannot afford the price they are supposed to pay from now on.

Another point I would like to mention is the road through the Township of Devon, connecting Highway No. 61.

I have a map here, and if Mr. Smith will describe

it, he can give you a few pointers on that particular road. If he can give you the full particulars, I think he would be speaking for the Thunder Bay District Municipal League.

BY THE CHAIRMAN:

Q Before you leave us, so we will not have to look all through the minutes, would you mark the resolutions?

A Yes, sir.

Q I notice a reference to "Dog River" in one of the resolutions. That is not the same area where this Committee was a couple of days ago, up north of Savant Lake, is it?

A No, that is another one, sir.

Your Committee has strictly to do with roads and highways?

Q Yes.

A I have one about ambulance services, and I would like to push that through, and put in a "plug" for it any way I can, because it is a very necessary thing in this district.

THE CHAIRMAN: We will file these minutes of proceedings of the Convention of the Thunder Bay District Municipal League. I note that resolution No. 1 appears on page 20; resolution No. 4 on page 20; resolution

No. 5 on page 20; resolution No. 6 on page 21; resolution No. 8 on page 21; resolution No. 9 on page 22; and resolution No. 10 on page 22.

THE WITNESS: Yes, Mr. Chairman, that is correct.

THE CHAIRMAN: Then I notice a speech by Mr. George Wardrope here. That should be noted by the members of the Committee.

MR. BECKETT, Q.C.: Are all these resolutions dealing with roads?

THE CHAIRMAN: Yes, with highways.

MR. JANES: I was speaking with Mr. Smith regarding how he handled the snowplowing and scraping in this township. I would ask him to explain how it is handled. It is a very interesting point, which he brought up.

MR. SMITH: As to how we handle our expenditures?

MR. JANES: Yes.

MR. SMITH: We do not have a great deal of difficulty with the organized, because they have the money put aside, but I took that up many years ago with our State Labour Townships, and I found that the people were inclined to go ahead and do the work, before the actual money was available.

Today we have an office bookkeeper to keep

track of all the expenditures, and in the State Labour Townships, the Board cannot spend any money until they have a credit on our books.

They collect the taxes, in most cases cash instead of by Statute Labour, and before they can spend the money, they must have a credit in the office.

Our Department meets this dollar for dollar on their road work, and in some cases, 80 percent. or 100 percent. on bridges. On the dollar-for-dollar set-up, they must have their money in our books, before we spend any of the Department's money. In other words, if they have a credit of \$100.00, we are willing to spend \$100.00, but we will not spend \$101.00. It has to be very closely watched, and it has been in the past year. These people here are paying their share, and in most cases, it is 50/50, although in some cases we pay 65 percent., but it is 50/50 in most cases. It is working out very satisfactorily. But it is a case of watching it very closely to see that they do not "put anything over" on you.

Most of the population is composed of foreign people and they do like to get a bit more out of the government than they are entitled to. So it is a case of very close supervision.

Mr. Chairman, do you wish me to speak on this

road about which Mr. Chadwell spoke to you?

THE CHAIRMAN: Yes.

MR. SMITH: Mr. Chadwell mentioned what they call the "Devon road".

In this district, there are government roads which are maintained by the Department, 100 percent., under Mr. Cash. These are different township roads.

In this particular case, this particular road goes out in a southwesterly direction, and a secondary road goes down to the northern boundary of Devon Township.

During the past five years, through the assistance of the Department, we have constructed a road through Devon Township -- which is a long, narrow, narrow township, with a very small population -- and the Department has paid 100 percent. for the construction of this road. It is a special grant. It comes out very close to the boundary of the International Highway.

What these people are asking for is that this secondary road be carried on through to No. 61 highway; in other words, make a complete loop of about 100 miles from Port Arthur, and coming back to the township on a road maintained by the government.

The Township of Devon claim they have not the money to keep up this six or seven miles of road, and, of course, these people all want the government to

do more than they should.

I am quite impressed with their request, as it would make a complete loop around the southwest section of the district, and would be used by a great many tourists. We find that many tourists come back to the west end, and travel via Highway No. 61, back to the States.

There are one or two government parks in that district, and we find the tourists use them, as do also our own people, and it would be quite an asset to the township to keep that road up. While that does assist somewhat, it may cease, and we will be glad to have the township extend that road.

MR. MAPLEDORAM: Does that road tie into the other, before it reaches No. 61?

MR. SMITH : That is right. There are two miles or so, there.

THE CHAIRMAN: You support resolution No. 8?

MR. SMITH: I think so.

---The witness retired.

MR. PRESSMAN,

representing the Geraldton group, appearing before the Committee, but not being sworn, deposes and says:

BY THE CHAIRMAN:

Q We would be very glad to hear anything you

may care to say, Mr. Pressman.

A Mr. Chairman and honourable gentlemen; I am here before you to present the facts regarding that which is commonly called the "Nakina outlet road".

This project was not started with profit in mind to be attained by individuals or groups of individuals, but it was started by stout-hearted citizens, seeking to eliminate some of the hazards of the utilization of the only means of transport.

The protection of the health of the community was the prime purpose in starting this project.

Recognition of the necessity of such an outlet for the Nakina loop through Geraldton was given by the hon. Minister of Lands and Forests, the late Welland S. Gemmell, by a sanction for the work required on the first twelve miles.

The finances for the project were supplied by the citizens of Nakina themselves, with some support given by the citizens of Geraldton.

On the completion of the first twelve miles, an application is required to the Department of Lands and Forests for a new work permit.

The Nakina road committee had been faced with changes in the regulations covering the building of roads other than those built by logging and mining companies,

must be sanctioned by the Department of
together with a statement of the amount of
to be used in the building of a road or
out

declaration of the amount of equipment at
the disposal of the Nakina road committee has been sent
to the Department, with the request for a work permit
from the Lands and Forests Department, but the work
permit has been held up for the completion of this
project, since last December.

Honourable sirs, these citizens have spent
their hard-earned money, and all their leisure time
building an outlet for them, by having the commitments
from their local members, and the hon. Minister of roads
to facilitate the building of roads in this area.

They only wish to be allowed to continue with
their project where they left off, with this outlet,
until such time as the government takes over and finances
it for them.

The greater part of the country through which
this road passes is soft, sandy ground, and it does not
destroy any merchantable timber. Where it was en-
countered, it has been cut and salvaged, and all
restrictions covering the work have been carried out.

We ask that we be allowed to help ourselves,

by building this road.

BY THE CHAIRMAN:

Q How many miles long did you say this road was?

A Approximately fourteen.

Q To connect up at Geraldton?

A Yes. Last September, Mr. Chairman, we sent a committee of five, of which I was one, to see Mr. Wardrope, who was in Toronto at that time, and we were not asking for financial assistance from the Department.

The committee has been formed since last December, but we had to stop work on account of this lack of the second permit.

BY MR. MAPLEDORAM:

Q It is a lend lease permit?

A I think the limit belongs to the Long Lac Pulp and Paper Company.

Q Was it a question of dealing with the Company or the Government?

A I think at the present time, it is dealing with the government.

Q How much road do you have to have a permit for?

A The first twelve miles, and after that, an additional permit will be granted.

BY MR. OLIVER:

Q How much of the highway still remains to be cut?

A I have that from Mr. McCue, the Chairman of the Nakina committee, and I think he can give you the proper information on that, in regard to the road.

BY MR. WREN:

Q You built it entirely with your own funds?

A Yes, sir.

Q No public money at all?

A No government assistance.

BY THE CHAIRMAN:

Q You are --

A I am the representative of Geraldton.

Q How are the agreements up there? Alright?

A We hope so.

Mr. Chairman, this will not only help Nakina; it will be of assistance to the four mines near Geraldton. If we can have a highway, I believe the Hydro Commission will give us power. At the present time, I think our Hydro rate for power is the highest of any which any community has.

There are 5,000 citizens waiting for this commitment for this outlet, as of today.

BY THE CHAIRMAN:

Q Have you any idea how much support you need from the Department?

A That will be up to the members.

BY MR. WREN:

Q Have you ever made an estimate of the probable cost?

A Yes, on the part built right now.

BY MR. COLLINGS:

Q Did I understand you to say you are waiting for our commitment up to date?

A Yes, sir.

MR. MAPLEDORAM: I do not think we should go away with any wrong impressions.

BY THE CHAIRMAN:

Q You realize that this Committee really is not constituted to act with any authority on the lay-out of roads. All we can do is to receive these briefs and see they get into the hands of the authorities, and perhaps indicate some action which we think might be appropriate. That is as far as we can go in the matter.

A Thank you. If you care to ask any questions, Mr. McCue is here, and I am sure he will try to answer them.

MR. McCUE: Mr. Chairman and gentlemen, I think Mr. Pressman has outlined our problem quite well. I have not come here prepared with a speech. I was up in the bush last night, but, as he says, our chief "beef" at the present time is the cancellation of our

permit.

When we went to Toronto, our agreement was for a 25-foot access right-of-way, and we immediately proceeded to construct it, salvaging all merchantable timber, and the dues were paid on the white pine stand.

However, we got word that the road was changed from 25 to 50 feet, and we were given to understand this was the basic width.

The very next day they called us down to the Lands and Forests Office, and they said the road had to be 100 feet, to meet the highway standard. While we need the road badly, I do not think we will be foolish enough to take that, in building a highway.

We interested certain parties to raise some money for us, and we have some fairly heavy equipment, and I think we have done a pretty fair job, as far as we went, which was twelve miles, and we constructed a few culverts and small bridges.

Since last fall, when our permit ran out, we have been unable to have it renewed, which I thought it would be, as I asked if there would be any difficulty in renewing our permit, or having it extended, and I was assured there would be no difficulty, that it was just a matter of form.

BY MR. OLIVER:

Q What reason was given for refusing it?

A No reason whatsoever. They said we had to have a letter from the Department of Highways. That leaves us "out on a limb". Mr. Wardrope has done all he can to assist us in our trouble, and it puts us in an awkward position, especially by bringing Geraldton into it.

We have met all the government requirements, and are not asking for money, and I think they should let us go ahead.

BY MR. WREN:

Q Will you outline to the Committee what you did, and what it cost?

A \$3,500.

Q What did you do for that \$3,500?

A We were told it would be a good idea to keep our road width to about 30 feet, not including ditches, which was plain murder for voluntary labour.

BY MR. MAPLEDORAM:

Q Did you start cutting the 100-foot road?

A Yes.

Q Are you still willing to continue with the 100-foot highway?

A Not willing, but we want the road.

MR. MAPLEDORAM: I was wondering if the hon. member for Port Arthur (Mr. Wardrope) would like to say

something on this issue. He has been very active in it.

MR. WARDROPE, M.P.P. (Port Arthur): Mr. Chairman, ladies and gentlemen; it has been a very sore point with me, and with the people of this district for a great many years.

Some time ago, as Mr. McCue and Mr. Pressman have explained, these people asked if they could build this road themselves, and they received a permit from the Department of Lands and Forests, and then went ahead as Mr. McCue said, with volunteer labour.

The \$3,500. he mentioned as being spent, does not represent what they spent on that road to date, because their labour was voluntary.

They tried to connect this road southeast from Nakina, from the twelve miles already built, to the Hudson Gold Mine. That left a link of about eight miles.

They received a permit from the Department of Lands and Forests, but the Department of Highways must sanction this, before the Lands and Forests can issue a permit.

The Department of Highways has since refused to release the permit to the Lands and Forests.

I have made representations in Toronto many

times in regard to this project, but I cannot get any favourable decision from the Department of Highways.

THE CHAIRMAN: Do you know the reason?

MR. WARDROPE (Port Arthur): I think the reason is this; the Department of Highways figure they will have to go in when that road is completed, and go over it and bring it up to standard, and maintain it in the future. I think that is what they are afraid of.

THE CHAIRMAN: They did let them go as far as they did with their building.

MR. WARDROPE (Port Arthur): Yes, and I think it should be continued, as Mr. Mapledoram knows. He is the Chairman of the Mining Roads Committee, and we put in a strong plea last spring to have this road built.

This is interesting; Nakina has \$2,500. of its own money, and \$1,800. from Geraldton, and they now have about \$4,300.. they are anxious to spend. That will not be enough, but it is an indication of the aggressive spirit of these people, and their desire to help themselves, and I think that those who are behind it, should press the Legislature and these people, in all fairness, should be helped, and that road should be built.

I feel very strongly about it.

I would like to see the very strongest recommendation come from this Committee, and we ask that this road be completed.

For thirty years those people have had no access to outside highways. They have trucks and cars in that district to operate over a road about six or seven miles long, and they pay the gas tax and license fees the same as everybody else.

I think it is high time they have access to our main highways.

THE CHAIRMAN: Has this matter been discussed with the local district?

MR. WARDROPE (Port Arthur): I think the Municipal Association here has approved it.

THE CHAIRMAN: I meant the local Department of Highways officials.

MR. WARDROPE (Port Arthur): I know they would not --

THE CHAIRMAN: Mr. Cash indicates he knows nothing about this.

MR. WARDROPE (Port Arthur): He knows the situation, but he has never had any directive from Head Office.

THE CHAIRMAN: Would it help to get the support of the local Engineer on a project of that sort?

MR. WARDROPE (Port Arthur): I think before Mr. Cash's time, they knew about it, but what directive went from them to Toronto, I cannot say.

MR. OLIVER: What justification could there have been for insisting on a 100-foot right-of-way on a pioneer road?

MR. WARDROPE (Port Arthur): The only answer I can give is the Department of Highways figured in the final analysis, they would have to take the road over and maintain it.

MR. MAPLEDORAM: I can assure the Committee there are many roads in the Thunder Bay district which are not 100 feet wide.

MR. WARDROPE (Port Arthur): That is right.

MR. MAPLEDORAM: Including the Trans-Canada.

MR. WARDROPE (Port Arthur): That is right.

MR. MAPLEDORAM: It looks as if they were trying to make a King's Highway out of it.

MR. OLIVER: A four-lane highway.

THE CHAIRMAN: Would that be a fire hazard?

MR. WARDROPE (Port Arthur): It may be.

MR. MAPLEDORAM: Mr. Wardrope, will you tell me if the company engaged in timber operations raised any opposition?

MR. WARDROPE (Port Arthur): Not to my knowledge. These people have no electric power, only

from Westinghouse and the Canadian National Railway, and the expense for it up here is terrific.

I believe I mentioned in the House last Session that a small storekeeper paid \$436.00 in three months for his power.

We have a commitment from the Hydro that the minute this highway is built, they will go in there with Hydro power. It is being held up, due to the road situation. It is a very tragic situation.

There are a thousand people with no access, and no chance of getting Hydro or anything else, and I think it is a crime.

MR. McCUE: We did not really start the road as a project, as a selfish thing. We had lots of things in mind, particularly the Hydro. It had been turned down before because the initial cost was approximately \$78,000, which the Hydro would not undertake. I was assured if we could put in some form of a road, on which they could put their trucks and some other of their equipment, we would get Hydro, and I understand that will be followed by the telephone company.

I have two children almost ready for high school, but unless we can get the road, I will have to take them out of school.

This road will give us Hydro, and so many other things.

MR. WREN: I think the resourcefulness of these people should be supported. It is an unusual situation where people are using their own resources to develop what might be properly termed a "provincial responsibility".

I can see no reason why the red tape of Beurocracy should be hamstringing the citizens. Goodness gracious, here are people who are spending their own money, and being held up for a permit. I cannot understand it. I think it is private enterprise at its best.

MR. WARDROPE (Port Arthur): They have been requesting roads for a long time. With the tourist business, and the mining activities, they wanted some kind of a road, and if they can go ahead themselves and get the permit, they can construct an access road.

They can look after the fire hazards along the road, while building it.

THE CHAIRMAN: Is the Committee prepared to indicate its views on this?

MR. MAPLEDORAM: Mr. Chairman, I do not think there is any doubt that the Committee would be unanimous in supporting this. I am sure there would not be a dissenting voice. I feel that you, in your capacity as Chairman, should draw this to the attention

of the authorities in Toronto, and see if we cannot get some action very quickly.

It is only for two or three months in this area where any road construction of any kind can be done.

I would move, Mr. Chairman, that this be drawn to the attention of the authorities in Toronto as quickly as possible.

MR. BECKETT, Q.C.: I will second that. I think we should look into it, to see if there is any ruling under which these permits are held up.

MR. McCUE: I would say it is the pulp-wood influence.

THE CHAIRMAN: Did they do anything about the fire hazard?

MR. McCUE: When we asked permission from the pulp-wood people, that was their opposition. I spoke to the officials in the Long Lac area.

MR. OLIVER: I think they should get the road whether or not there is an election this fall.

THE CHAIRMAN: That is surely bringing in extraneous matters.

MR. McCUE: Something has held up this permit.

MR. MAPLEDORAM: Lands and Forests have indicated they were willing to issue the permit?

MR. McCUE: Yes.

MR. MAPLEDORAM: Then they must go to the Highways Department?

MR. McCUE: Yes. They want to know what equipment we have, and who owns it, and whether we can carry on. What does that matter?

MR. OLIVER: Maybe they want you to rent the equipment from them?

THE CHAIRMAN: There is a motion that we give this permit question our support. What is your pleasure?

(Motion agreed to unanimously.)

MR. DENT: I would suggest that the members from this locality bring pressure on the government, and then we come in and give our support to it, to find out exactly what the conditions are, and if there is any real reason why this road should not be built.

From the presentations we have had, I think the first and only logical thing to do is to allow these people to build the road.

I think if the two members bring pressure on the government, and this Committee follows it up, we may be able to do something for them.

MR. MAPLEDORAM: We have used our own influence, and I am now asking for the Committee's influence.

---The witness retired.

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MR. MAPLEDORAM: I would like to present the
Reeve from Nipigon, Mr. G. A. O'Neill.

MR. O'NEILL: I only came up to support the
representations from Red Lake, about which you heard
yesterday.

F. D. TAYLOR,

Manager, St. Lawrence Corporation, Red Lake, Ontario,
appearing before the Committee, but not being sworn,
deposes and says:

BY THE CHAIRMAN:

Q We would be glad to hear anything you have to
say, Mr. Taylor.

A Mr. Chairman, ladies and gentlemen; when I
left Red Lake this morning, 70 miles away --

THE CHAIRMAN: This map (indicating) was
handed to us yesterday. If you will identify it as
a map of the proposed road, we will file it.

THE WITNESS: That is right. It is.

EXHIBIT NO. 49: Map, as produced
by the Chairman and identified
by the witness Taylor.

THE WITNESS: Gentlemen, I did not expect to
come to such a formal meeting. I am sorry I got here

late. Mr. Smith was speaking at the time I came in.

However, unlike some of the others who have been speaking here this morning, I have not prepared a brief in the manner some of them have, for which I apologize, but I thought this was going to be a round-table conference.

I am here to plead a "beef" on behalf of the Red Lake Improvement District. What I am here to plea for is that almost every year, we have had our road budget cut considerably, and the actual figure for this year, if it had not been cut, would have been \$38,300. That was our budget, but it was cut to \$16,500.

Now, Red Lake is not a very imposing name, and probably many of you gentlemen have never heard of it. I noticed you took a trip down to Marathon and Terrace Bay, and possibly we should have been more aggressive and asked you to come to Red Lake. Although a small community, it is a very important community in this district. We have a paper mill there, and during this year, we will have, I think, the largest paper mill in this district -- and there are some very large paper mills in this district.

The improvement district I represent has maintained a road between No. 17 Highway, for five miles into Red Lake. That is illustrated on the map you have

here (Exhibit No. 49).

THE CHAIRMAN: I think we are all aware of that, except Mr. Beckett. He has not seen it as yet.

THE WITNESS: I want to emphasize that although this is only a road into Red Lake, it is a very important road as I see it. It is used by many cars, and we have very heavy traffic going over it every day. Pulp wood is coming in, and you know how heavy that is. We have transports which weigh up to 25 to 30 tons, taking the paper out of there. That is a lot of traffic.

We have the C.N.R. transports coming in there, and I will say that our good friend, Mr. Smith, has tried to do everything he can for us. He has given us good advice.

Mr. Wardrope has tried to do everything he possibly can do, but the results are very, very discouraging.

I even appealed to Mr. Mapledoram, and he has tried to help us all he could. I would like to see some action on this road, because the conditions at present are deplorable.

We have had committees. Mr. Wardrope was down there to meet them. The Union committees in the mill have approved the road, and have threatened to go out on strike if the road is not fixed.

You cannot have a road without money, and we are prepared to spend the money, and all we are doing is asking some support from the Department of Highways, but it would seem to me to be silly to go out and rent a great deal of expensive road equipment, to maintain five miles of highway.

THE CHAIRMAN: Is your Improvement District prepared to pay any part of the cost?

THE WITNESS: Oh, yes, 50 percent.

BY THE CHAIRMAN:

Q Of your own?

A Yes.

Q As distinguished from Nipigon?

A Oh, yes.

Q It is distinct from the Nipigon Township?

A Oh, yes. When we put in a budget for so much money every year, with Mr. Smith's approval, we are quite prepared to spend the money, and then be reimbursed by 50 percent. when the money has been spent.

Q I gather the map did not indicate very much of the proposed new road?

A Of course, that was Nipigon's problem, and it is our problem, too, which I would like to come to later. This is a very important question , as far as Red Lake is concerned.

BY MR. MAPLEDORAM:

Q What you are asking for, I imagine, is a hard-surface road.

A Yes.

Q You are asking for the proper type of road which will be suitable for the traffic going over it?

A Yes.

Q And you are willing to pay your share of the cost?

A Yes.

BY MR. WREN:

Q Would you have been able to construct a road to handle that traffic, if they had not cut your budget from \$32,000. to \$16,000?

A Oh, definitely.

BY MR. OLIVER:

Q On that point, may I ask you, Mr. Taylor, if the cut in your budget this year is more drastic than it has been in former years?

A It has been, and I would like to submit this to the Chairman, that it is similar to our budget cuts since 1946. That will give you an idea of what happens to our budgets, practically every year.

BY MR. WREN:

Q Do they give any reason for cutting?

A They very seldom give reasons. I have a

letter here from the hon. Minister of Highways, in which he says he will be looking into the matter, but we never got any satisfaction.

BY MR. OLIVER:

Q How long ago was that?

A That was November 17th, and no action has been taken up to now.

MR. BECKETT, Q.C.: Mr. Chairman, I cannot understand the road about which he is talking.

THE CHAIRMAN: It is the road which joins the highway to Red Lake?

THE WITNESS: That is right.

BY THE CHAIRMAN:

Q You are talking about the hard surface, or mulch on that five miles of road?

A Yes.

MR. MAPLEDORAM: I think he is talking about the very thing we discussed on the bus on the way up.

BY THE CHAIRMAN:

Q If that were done, you would have a hard-top road on the thirteen mile route around Nipigon?

A That is right.

MR. MAPLEDORAM: Mr. Chairman, would it be in order to ask the engineer to give his version of it? They are dealing with the Department, through Mr. Smith..

THE CHAIRMAN: Would Mr. Smith speak to that suggestion by Mr. Mapledoram?

MR. SMITH: I will mention the chart. This year, there was over \$1,890,000. asked for in this district, and that had to be cut. They cut it down to about \$889,000. -- over one-half. The cities were cut quite a bit. That is where the most of it was done.

This particular road was constructed by the Department of Highways ten or twelve years ago, 100 percent., and when the present company went in there to take over the mill, they remained in my district, and this road was turned over to my district to maintain.

It is in poor shape, and it is in no shape to pave at the present time. Considerable money has to be spent on the road before it is paved. I have recommended they take their money and put this road in shape, so it can be paved. I think the intention this summer was to put the road in shape.

I still recommend money be spent to put it in shape this year, so it can be paved next year. There is about one mile near No. 17 highway in good shape, and it could be paved, and I have a letter from the Department about renting this equipment, so this one mile can be paved, and they did not question my recommendation --

MR. McCUE: I do not think it is correct to

say it was a question of recommendation. I think you agreed it could be paved last summer.

The trouble was when the equipment came in, it was too late. It had started to freeze, and there was some delay, because the men did not show up for work, and it was a matter of two or three days --

THE CHAIRMAN: I think we had better direct ourselves to the future. We are not so much concerned with what is past.

MR. WREN: Mr. Smith, you said there was an item of \$1,890,000. and it had to be cut. Why did it have to be cut?

MR. SMITH: They told me the request this year for the organized municipalities was over \$40 million, and I think there was \$32 million voted for the municipalities, so nearly every municipality had to take a cut.

The City Board had asked for \$900,000, and they were cut down to \$225,000, which creates quite a difficulty in regard to what they will spend, because they ask for things which they are not going to get, and it is difficult for the Department to keep these townships in line.

In the case of Red Lake, the by-law was for quite a considerable amount.

THE CHAIRMAN: In regard to actual payments made in 1953, the amount paid was the cut figure of \$16,500,000.

MR. SMITH: It is somewhere around there. It was cut last year.

MR. WREN: Why should they cut the appropriation, Mr. Smith, where the work is necessary, and where you have recommended it as necessary?

MR. BECKETT, Q.C.: That was general?

MR. WREN: It was not general. About one-fifth was cut from the requested appropriation --

THE CHAIRMAN: It is not an unusual thing to cut. From this memoranda (indicating), they have always been cut, since 1946, except in 1949.

MR. OLIVER: And getting more people crowded into the district all the time.

THE CHAIRMAN: No. In 1950, the amount was \$20,000 down, which was the largest amount, except for 1949, when the amount was allowed.

MR. WREN: When the budget appropriations are only cut about 20 percent., why would they cut it here up to 50 percent?

MR. JAMES: Just as Mr. Smith has stated, the municipalities asked for more money than they ever hoped to spend --

MR. OLIVER: How can you tell the municipalities are asking for more money than they can spend?

MR. JANES: They do it all over the province.

THE CHAIRMAN: Perhaps it is more than they hope to get. That has been the pattern in cuts, all the way around.

THE WITNESS: I can clarify that by explaining the amount of money spent on the five miles of road, and comparing that with the sum of money they have left.

BY.MR. WREN:

Q I would assume, Mr. Taylor, you are a professional engineer?

A I am.

MR. WREN: I do not think a professional engineer would make an unreasonable request, especially where the company itself has to pay the major portion of the share.

THE CHAIRMAN: Let us not get mixed up with what has happened in the past. Mr. Taylor wants a hard-top road.

MR. MAPLEDORAM: Is Mr. Smith agreeable to recommending one mile, from the highway in, and the reconstruction of three miles, which makes a total of four miles in all, one mile for paving, if approved, and three miles for reconstruction?

MR. SMITH: Yes.

BY MR. MAPLEDORAM:

Q How do you feel about that, Mr. Taylor?

A I submit there will have to be a great deal of work on that road to put it in condition for paving. We wanted to get the money this year to put the road in condition for paving, but I do think if we could get one mile paved, it will be really something.

BY MR. OLIVER:

Q Would your budget allow you to condition the road, and put it into shape where it could be paved?

A Certainly.

BY MR. BECKETT, Q.C.:

Q How much would it cost to pave that one mile of road?

A I think Mr. Smith should know about that. I think it is pretty hard to pull a figure out of the air. I do not think you would want me to simply guess at a figure.

MR. SMITH: That will cost around \$8,000. for the first mile. Then the three miles for reconstruction, to rebuild, we might "get away" with \$2,000. a mile.

I went down there earlier in the spring, and I thought the road was in fine shape, but later on, it was in terrible shape. I was surprised to see it get

so bad in such a short while.

It is a case of going in and putting on gravel, and I do not think there will be any trouble in getting one or two miles ready for next year.

I agree with Mr. Taylor it carries rather heavy trucks, and while the Department does help them with its graders, when available, it is not enough. The road in there is in very bad shape.

I think \$2,000. per mile would put it in shape for paving.

THE WITNESS: Just to condition it?

MR. SMITH: Yes. We will do the first mile, and do as much as we can to build up the other three miles for paving in 1955.

I think if that was done, and the Department was approached in the right way, they will do their best to clear up a situation like that. These things have to be discussed with the Department, and the Department has a problem.

THE WITNESS: In answer to that, perhaps I should not say that I am not a friend of politicians, but I have noticed it has happened in a number of other communities, but it has not happened in Red Lake. We have never been able to go back and get more. I have a clipping here (indicating) which shows a number of

places have received additions to their budget. We cannot "work" that.

BY MR. OLIVER:

Q You are appointed by the government?

A That is correct.

Q I am wondering why they would not look after the road.

THE CHAIRMAN: You see how fair they are? They do not show any discrimination at all.

THE WITNESS: How can we leave that, Mr. Chairman?

THE CHAIRMAN: I think the situation now is that you are urging this Committee to give what help it can toward securing a program for paving those five miles.

THE WITNESS: That is right; that is right.

THE CHAIRMAN: That ties in with what we were told here yesterday by Reeve O'Neill, who was suggesting a six-mile road, which would have been much shorter between Nipigon and Red Lake. It would be a dirt road, and would cost some \$75,000 to complete it, in the Township of Nipigon, and I do not suppose your Improvement District is going to do very much on that road.

Perhaps you had better tell us whether it is prepared to, or not.

THE WITNESS: I was going to bring that up, Mr.

Chairman.

THE CHAIRMAN: We will have to tie them in together, before we can make any recommendation.

THE WITNESS: As far as a request from Nipigon regarding this shore highway from Nipigon to Red Lake --

BY MR. BECKETT, Q.C.:

Q That is the part marked in red on the map?

A Yes. I think it is highly desirable, for many reasons. No doubt they have had many other reasons.

As far as Red Lake is concerned, there is a hospital in Nipigon, but none in Red Lake. Both Red Lake and the Improvement District contribute to that hospital, and we use it quite a good deal. It is easy to get men there in a hurry.

BY THE CHAIRMAN:

Q You think you can go over a dirt road for six miles, better than a paved road for thirteen miles?

A That is a question, but you cannot drive at the speed limit as easily there, as you can on other roads. On our private road from Red Lake, we cannot hit the speed limit, or we will be thrown out of the car.

MR. JANES: That puts Mr. Taylor in a very bad spot now.

THE WITNESS: I am trying to support Nipigon. The people in Nipigon like to come over and trade in

Red Lake. Perhaps this will work the other way. We have a number of men who work in Red Lake, but who live in Nipigon, and do not want to move. They come over every day.

There are some students in Red Lake who come from the Nipigon High School.

That is another point which I think is an important factor in connection with this shore road.

The shorter road does not let us get to the highway with trucks, or anything, unless you are going west. It is only east-bound traffic that is helped, and most of our traffic is west-bound, both paper shipments and transports coming in from Port Arthur and Fort William.

BY THE CHAIRMAN:

Q You would use the five-mile stretch?

A Yes, unless it was decided to re-route via No. 17. That is something I do not know anything about. I know they are talking about it, but that is all.

The two things are connected, but unless something more is done to that road, we will have a pretty bad condition through that five miles of highway, and I would like to make a sincere plea to the Committee, and I would appreciate it very much if it could do something to help us out of this predicament, because

it is very bad.

THE CHAIRMAN: I think from what we have heard previously, and what we have heard this morning, the functions of this Committee are confined to recommendations and we do not need any more details on this.

MR. BECKETT, Q.C.: The whole highway is owned by the municipalities.

MR. MAPLEDORAM: By the Red Lake Improvement District.

MR. O'NEILL: If that road is put through, it would be of assistance to the people of Nipigon and Red Lake. It would have to be maintained, however.

THE CHAIRMAN: Thank you, gentlemen.

---The witness retired.

THE CHAIRMAN: I believe that Alderman Young, of Fort William, has asked to address this group for a few moments on the proposed by-pass on the outside of the city.

M R. Y O U N G,

Alderman, City of Fort William, appearing before the Committee, but not being sworn, deposes and says:

BY THE CHAIRMAN:

Q Alderman Young, I believe you asked to be heard?

A Yes.

Q The Committee will be very glad to hear any representations you care to make.

A Mr. Chairman and members of the Committee; I am authorized or delegated to come and speak on this particular question before this Committee, and it seems to me to be an opportune time to make a suggestion to Mr. Wardrope.

In both of these cities, we are experiencing considerable difficulty with cross-country highway transport trucks, and both our City Councils have a joint committee working co-operatively, trying to work out this serious problem. That is one of the questions which has been discussed.

The desire is to construct a by-pass directly east of Port Arthur, and I believe the intention is to go up on Highway 17, in a westerly direction from Port Arthur. That would divert through cross-country trucks and keep them on the highway, and in so doing, they would by-pass both cities.

The streets of our cities are not any too well constructed to carry the heavy loads now being carried by trucks, and we do want to keep up our street program, and satisfy our citizens as to the conditions of the streets.

In the city of Fort William, we are finding it quite a problem to secure through highways to which we can divert these trucks. However, I do not think we suffer as much as the city of Port Arthur in this connection.

But, speaking for Port Arthur -- if I may -- they have a bigger problem than we have, due to the hilly country, and the trucks coming in from the west proceeding east, usually come down Arthur Street, and if they had brake failures, it would establish quite a problem and a hazard.

It seems to me this would be an opportune moment to put before the Committee, the necessity for this by-pass, to take care of the heavy traffic.

I do not know in what state of preparation it is, or whether any form of presentation has been made in this connection, but I would like this Committee to recommend the need for this by-pass, and to make recommendations accordingly and what your feelings are in regard to this matter.

I do not think the construction of the by-pass east of Port Arthur would be any too great a problem, and would be appreciated by both cities, as something which is actually needed.

THE CHAIRMAN: Thank you, Alderman Young. Is

there any discussion?

MR. JAMES: We could make a note of it.

THE CHAIRMAN: To consider it, yes.

BY MR. MAPLEDORAM:

Q I think these cities are in the same position as cities in eastern Ontario, and we are now trying to get something done about it. I believe it is just in the planning stage, Mr. Young?

A Yes.

MR. MAPLEDORAM: Mr. Prettie, of the Wood Preservers, wanted to say a few words.

THE CHAIRMAN: Very well.

---The witness retired.

R. J. PRETTIE,

representing the Northern Wood Preservers, Fort William, appearing before the Committee, but not being sworn, deposes and says:

BY THE CHAIRMAN:

Q We will be glad to hear any representation you care to make, Mr. Prettie.

A I spoke to Mr. Wardrope two or three days ago about my desire to meet the members of the Committee when it is in this area, in that we have a great deal of business with the Department of Highways, and would

like to establish a contact with anybody who is doing anything in that connection.

I certainly had no intention of coming here as a witness before this body, either voluntarily or by force. I want to make myself clear, that it is just that we have done business with this Department of Highways, of all governments, over the past number of years. We have found our relationship very satisfactory. We tender on a very high plane, and our dealings with the Department have been excellent.

Q Would you identify your Company?

A I am the President of the Northern Wood Preservers. We supply treated timber, culverts, and bridges to the Department.

Once a year, we tender to the Department in Toronto competitively, as we are not the only company in the business, but we seem to receive contracts which would logically be awarded in this area on a certain basis.

On some occasions, we seem to run into the infiltration of the eastern Ontario industry, for supplying concrete bridges in this northern country, which is not quite logical in a country where we are growing timber and treating it, and giving it a life which is very difficult with the other products.

There is a very large payroll here. Our

payroll runs \$1 million to \$1½ million per year in this area.

We carry on the principle that this treated timber is the thing which should be used, entirely apart from the principle of using local material, and we have a product which will stand up, and is not subject to cracking and freezing so much.

Q Is yours a creosote treatment?

A Yes. You have probably seen it.

I happen to be the Vice-President of the Northwestern Chamber of Commerce, and annually we make a survey, and recommend what we think should be done in this district, concerning roads.

BY MR. WREN:

Q How do you accomplish these recommendations?

A I said "surveyed". It is the Northwestern Chamber of Commerce which represents all the Chambers of Commerce in this district, and they feel they will accomplish more by working together, and recommending where, in their opinion, they can give full support. Everything coming from that Chamber must be unanimous. In other words, we are as interested in making recommendations concerning Geraldton, as we are Nipigon.

I feel sure the Chamber of Commerce will be disturbed this fall unless there is a great deal of

improvement, and that is the purpose of the dollars going into this area.

I think there is a three-mile stretch they are going to re-pave on the road east of Port Arthur, but that is the only one of which I know up to date. I think the announcement was something over \$100 million, which will be spent in this province. We realize they have some difficulties in this area. I do not think they are due to the faults of this area, and I do not think the area should be penalized. I am sure the Chamber of Commerce would welcome the Committee looking into this, and see that we get fair values for the dollars expended on highway construction.

We are not interested in super-highways here. There are a number of roads we must get to enable the people to get in and out, and the idea of building super-highways is certainly holding back the building of roads into the smaller communities in northwestern Ontario.

Thank you, very much.

THE CHAIRMAN: Thank you, Mr. Prettie.

In connection with road building, I was asking Mr. Cash if there was some recent announcement in that connection, and I will ask him to deal with that particular point.

MR. CASH: Mr. Chairman, and members of the Committee: I advised you on the first day of our trip that the following jobs were being advertised for tenders:

10 miles east of Marathon, to White River,
45 miles.

4 clearing jobs, to be advertised for tenders, which will be called in the middle of July.

On Highway No. 17, west from the end of the present contract, which runs through Sissons Corners.

We are calling that job for the Trans-Canada standards. It is 7 miles long. We are advertising for tenders, and will be called in the middle of July.

MR. MAPLEDORAM: Mr. Chairman, I think Mr. Cash has forgotten to mention the three miles they are clearing on the Steep Rock road.

MR. CASH: I am sorry, Mr. Mapledoram.

Also, at this end of the Atikokan road, we are calling for $14\frac{1}{2}$ miles of clearing. That will be over a new location, to improve the present old road from Shebandowan to the present site. That road will be advertised and called also in the middle of July.

After the clearing contract is completed, a grading contract, I believe, will be advertised.

THE WITNESS: That will be good enough in

that area. I do not know how it compares with 150 miles on 68(A). They are simply paving the road, and that is welcome, but I think study should be given to see if something could be done to help that area. The population has registered its protest in every way it can. Many times, practically everybody has gone out to support the government, in the hope they will get more out of it, something which will improve the roads, and give us access to those communities.

Thank you very much.

THE CHAIRMAN: Thank you, Mr. Prettie.

---The witness retired.

(page 1401 follows)

THE CHAIRMAN: Gentlemen, I think that completes the list of official bodies who wished to be represented before the Committee.

We will now proceed with our general business. In this connection, I would like to say a few words.

This Committee is very pleased to be here at one of the Lakehead cities, and we are really regarding ourselves as being in both cities, because we are staying at the hotel in Port Arthur, and holding our sessions in Fort William.

The Committee was set up for a very specific purpose, as set out in the terms of reference, which includes the studies of the organization of this Division, and other matters relating to the current problem you have here and in other parts of the province, where it may apply, and to look into the whole policy of highway work, and to make recommendations for improvements in the system where we think such improvements would be indicated, having in mind the very greatly increased volume of business which has come to the Department of Highways, particularly since the war, and which seems now to be a business which is likely to continue for some time.

With that in mind, and also having in mind some of the difficulties as the result of certain actions, the

Committee, since it was set up, has been as diligent as it could be in its duties, after having toured this part of the country, covering practically all of the roads which have been under construction, and particularly those parts where there have been any possible difficulties or irregularities.

The last speaker (Mr. Prettie) mentioned the length and breadth of this area, and I am glad to say that practically all of the members of the Committee who are here today -- certainly those who were with us during the latter part of last week, and the early part of this week -- have a pretty fair idea right now of distances in this part of the world, and I think we appreciate the problems in relation thereto, a great deal better than when we started out.

I think I can say to the people of this area that those problems have our sympathetic appreciation - with some knowledge and understanding now by the members of this Committee.

On our tour of roads to Atikokan, the Committee requested certain information. Looking over the various contracts, and the work which was done under contract, we asked for information in some detail, of the pre-engineering work which had been done along that line.

One of the representatives of the Department passed on our request -- because it was not available here -- for information as to the total number of survey parties working at any one time, and the starting date for each party, and the closing date of each survey party. While we were enroute, it was intimated by officials of the Department that this information was not immediately available.

MR. OLIVER: What information was that?

THE CHAIRMAN: Just what I was reading out here a moment ago, the information concerning pre-engineering, and any details as to the survey parties, the dates, and so forth.

MR. OLIVER: That is not immediately available?

THE CHAIRMAN: It was so stated, yes. However, I would like to finish my statement.

On our trip to Marathon, further discussions were carried on in the bus, and we held meetings as we travelled, by means of a loudspeaker method, which enabled us to use our time as we were moving from one part to another.

Usually, when we enter a Division, we have with us, the Chief Engineer of that Division, and where he is familiar with all the details, he can be of great help to us.

We did not have available when we came here, the services of the officials from Head Office, who are familiar with the problems with which we are concerned, as we moved along, particularly over the Trans-Canada portion of the highway.

Unfortunately, the official who had any knowledge was not with us at this end of the road, although I had requested him to be, and I had been assured before we left Toronto, that he would be available. But for reasons which I do not know at the moment, but which I assume were sufficiently urgent, he was not available.

I think perhaps there has been so much effort lately to get the road contracts ready for tenders, together with certain changes in the Department announced a few days ago, that possibly that combination of all the circumstances may account for his not being here, but, in any event, the Committee did not have available, the services of that particular official on this last trip. So, on Wednesday last, being in the difficult position of not having available for questioning, a Head Office Senior Engineer, as we went along, to obtain in any detail, organization of the Division, the Committee instructed me to communicate with Headquarters of the Department in Toronto, and ask them to arrange to have some person present who was qualified

to give us the required information on organization and duties in this area, which I did at Terrace Bay by long-distance telephone.

No such person has arrived, and the Committee will have to contact him later in Toronto.

I may say I did have a telephone communication this morning before coming over here, which assured me that all information would be available to this Committee when it returned to Toronto, to the extent we wish to ask for it then.

Since this request was made, we attended at the office of the Division Engineer yesterday afternoon, and considerable information was obtained, but not just what the Committee desired to obtain, nor what it was seeking, when the message to Toronto was transmitted.

I may say that we changed our plans the night before last in order to have more time here, and eliminated the Beardmore trip which we intended to make. The thought was this would provide us with more time to attend the office of the Division Engineer yesterday afternoon.

Our terms of reference are quite clear, and the Committee is doing all in its power to carry out those terms, under difficult circumstances, by reason of several criminal charges which have been laid, and

the desire of all members of this Committee not to prejudice in any way, the position of any of the accused, nor of the Crown.

One of the points upon which I thought there should be direct evidence this morning has been cleared up, in part at least, by a telephone call which I had with the Chief Accountant of the Department of Highways, Mr. Zoller, a few minutes before coming over here. That related to the position of the Fort York Company, and the bonding company involved in that connection, the United States Fidelity Company, and also in connection with the Wolfe Construction Company, and the bonding company involved there, the London-Lancashire Insurance Groups.

Dealing first with the first part, I am informed that the bonding company directed the Malvern Company to complete the work, and it is, of course, the financial responsibility of the bonding company to see that the work is completed.

There are some interlocking directors -- and that question was raised -- between the Fort York and the Malvern Companies. The President of the Fort York is Mr. O. A. Wood, and the President of the Malvern Company is Mr. Robert McGregor, who is also a Director of the Fort York Company. That information was given to me by Mr. Zoller.

I was informed that payment of all creditors, involving approximately \$180,000, has now been completed, so far as the bonding company and the Fort York Company are concerned, except for approximately \$1,000, an alleged invoice which is in dispute, and expect for a substantial obligation to the bank, which is not the subject of the bond.

With respect to the Wolfe Company: Meetings have been going on now for several days between their solicitors and the representatives of the Bonding Company, and the Department, and it is my understanding, from the information given to me, that all the wage earners who had claims up to the end of last December, when the work stopped, so far as the Wolfe Company was concerned, have been paid in full by the Department, the Department of Highways having obtained from the Bonding Company a guarantee to reimburse it, and I believe that has been done.

That leaves only certain accounts for materials, gasoline, oil and food, and that sort of thing, and the Wolfe Company has been asked by the Bonding Company to submit a list of the creditors, and I understand it may run from \$75,000 to \$125,000 in dollar amounts, and it is the understanding of the Auditor for the Department of Highways that just as soon as the list is

presented, it will be promptly paid, with the view of clearing off this particular part.

Mr. Zoller assures me he will be in touch again with the representatives of both the Bonding Company and the Wolfe Construction Company.

One of the difficulties is that the Wolfe Construction Company is not prepared to admit that they cannot pay, and that is one of the things which has given rise to some technical difficulties, but I am assured that there is at the present time a very real desire on the part of the parties concerned to arrive at a quick settlement, so that these accounts for materials, gasoline, oil and food, will be promptly paid.

May I just say in that connection -- and I do not think I am speaking out of turn -- that this Committee will unanimously recommend a form of bond for the future, which will place a direct liability on the Bonding Company, to the wage earners and suppliers of materials in connection with any contracts granted. I am speaking for myself at this moment, but I think that will be the unanimous view of the Committee.

MR. MAPLEDORAM: This is not new to the people of Fort William in respect to these contractors. As you were saying, it has been a real hardship on

the wage earners and merchants in this city to have a great deal of money tied up with a bankrupt firm. It has been a real hardship in some cases. Last year, it resulted in loss of employment to local people, as firms were put in the position where they had to lay off help on account of lack of funds to keep the firms going. I think it is good news that we are going to get action. I wish to compliment the Chairman of the Committee for this recommendation.

MR. WREN: In connection with some of your remarks --

THE CHAIRMAN: May I just finish, before you proceed, Mr. Wren?

Mr. Cash was asked to obtain certain details relating to contracts originally let over long distances, along the Atikokan road. I have received by mail from Toronto, a partial answer.

These particular sheets (indicating), which I have in front of me, and which can be dealt with later if we wish, give the details of the contracts as originally let, the estimated total tender, the amount involved, and various unit prices. It does not go beyond that, and it is incomplete, but we will get the balance later on.

MR. OLIVER: Not only is it incomplete, but I

think you will agree that it is not quite satisfactory to get evidence over the telephone or by mail. I think the witnesses should appear before the Committee.

THE CHAIRMAN: The entire Committee instructed me to ask for these witnesses, which I did, and I have given the explanation I received for their non-appearance here, but I have assurance they will be available in Toronto, without any question.

MR. WREN: Mr. Chairman, I am quite disturbed that the Department of Highways has not been more co-operative in these matters.

The hon. Minister, I recall, when taking evidence earlier in our hearings, stated that the full co-operation of the Department would be available to this Committee twenty-four hours a day, if I recall his words.

On this tour to northwestern Ontario -- which, of course, has been very excellent by way of providing information to the members of the Committee, particularly those who have not had the opportunity before to visit our part of the country -- nevertheless, right from Fort Francis up to Red Lake, and between Red Lake and Savant Lake and on to Fort William, there has been constant repetition by the officials -- through no fault of their own, because the men are those who have

only recently assumed the responsibility -- but right through, we were faced with answers to questions with "I do not know", "I cannot be sure", "That information is in Toronto, and I will have to find out", and so on and so on.

I think if this Committee is going to make any progress at all toward making any recommendations, we will have to have some co-operation from the top level in Toronto.

In regard to these Malvern and Fort York Companies; I asked a question the other day as to the corporate advisers, and I find the information I received is correct, that Mr. McGregor is an official in both Companies.

I would like to ask you to request from the Department, for our meeting in Toronto on Monday or Tuesday, a list of all the tenders which were submitted by the Fort York Construction Company for various jobs on the Atikokan highway. I have certain information -- and I want it confirmed -- that this Company, had as many as three or four jobs at a time, and each time they were the low-bidding company, and there had to be, between calling of the tenders, and wording of the contract, some sort of juggling of the bids, in order to spread the work around, because under

the policy of the Department, they were bound to accept the lowest tender.

In the face of that, we found that one company subsequently went bankrupt, which confirmed some suspicion at the time that the bids were probably too low, and when the company itself went bankrupt, the bonding company turned the work over to another company, which has, in effect, the same people in control of its affairs.

These are the things about which I want to know, and the kind of thing we have not been discussing, because there are some companies, as was referred to by the Chairman, which are under criminal charges.

But these companies, as far as I know, are not under any criminal investigation at the present time, and if there is any assurance from the public prosecutor, or from the Provincial Auditor that they will not be investigating this company, nor its officials, nor the bonding company -- I think that everyone connected with these companies should be put on the witness stand early next week, according to the agenda we have laid out, and get from them the fullest details.

We still do not have -- and I do not know the reason for the delay; it might be quite legitimate -- the 1951, 1952 and 1953 contract figures, and I think you will find, when we do have them, that the over-runs

on the contracts on the Atikokan Highway were quite extensive, indeed I think the Provincial Auditor should be asked to provide this information as quickly as possible, and if he cannot get all three years immediately, let us at least have the ones for 1951.

The over-run estimate in 1950 was \$16 million, which did not include some of the major projects which he had undertaken in this part of the province since that time.

I repeat what I said at the outset, that I think this is simply a game of blind man's buff. I think the Department should set out to provide us with officials who can be questioned under oath, to provide us with the kind of information we have to have if we are going to reach any intelligent conclusions.

I must point out again I have no intention of suggesting that, in any way, anything Mr. Cash or Mr. McCue has said, is wrong, nor suggesting they are not co-operating with us. They are, but they are new men, and yet we have to have that information available in order to reach a conclusion.

MR. COLLINGS: Just one question on the Bonding Company coming in and taking over the job on the Atikokan Highway:

I do not think we should criticize the Bonding

Company for asking the Malvern Company to finish the job. It is their job, and they have to pay the money, according to our specifications.

I would imagine it would be more reasonable to use the equipment of the company which got into financial difficulties, equipment which was right on the job, and naturally, it could be done at much less expense than bringing in another company with its equipment, from some other part of the province.

MR. OLIVER: I do not know that we were criticizing in respect to Malvern and the Fort York, but certainly it gives us the trend, and I think it puts upon us the responsibility of examining the situation to determine if the public interest has been protected in respect to these transactions.

In respect to changes in the Bond; I agree with our Chairman, that there should be a revision -- and a sweeping one -- in the matter of the bonding of these companies, which, as has been pointed out, can be bonded again, and up until the Fort York Company required the services of a Bonding Company, we were really helping out the Bonding Company in respect to their contracts, by not allowing these various companies to lose money, irrespective of how low a price they tendered for the job.

I think more responsibility should be placed on the Bonding Companies, and certainly in the days to come, we should let these contracts at a firm price, after sufficient engineering has been done to determine what a fair price would be, and as my friend, Mr. Cash, said yesterday, ten or fifteen percent., and then hold these contractors to the contract bid, and not allow the vast over-runs there have been in these contracts, particularly in this district.

THE CHAIRMAN: I would suggest we take a five minute recess.

---Whereupon a short recess was had.

(page 1416 follows)

---- Upon resuming.

THE CHAIRMAN: Gentlemen, shall we resume?

MR. COLLINGS: Mr. Chairman, just before the adjournment we were speaking about the contracts. I would like to bring to the attention of the Committee the contract which was under discussion at the Division Office yesterday afternoon, and I believe Mr. Gordon has made some reference to this in his report, to the effect that we should be a little more insistent in regard to contractors completing their contracts, according to the expiry date.

On this contract we had under discussion, the date of expiration was November, 1949, and I notice there are still payment certificates going through on this contract as late as August, 1953.

MR. OLIVER: Why should there be such a delay as that? Perhaps Mr. Cash can answer that.

MR. CASH: I am sorry, that is one of the things which was before my time.

MR. COLLINGS: I think the members of this Committee will realize the delay in completing anything, runs the costs up, and I think when we deal with contracts, we should be more insistent that the contractors finish the jobs in the time allotted to them.

MR. MAPLEDORAM: The people in the Thunder Bay

riding are getting awfully "fed up" with these delays, that is, the ones in which they are interested, and their reaction is that the delays in completing a contract mean a long time before another will be called.

You heard me express an opinion with regard to the classification of contracts. That has been the practice of certain contractors, to bid on every job which comes along, regardless of whether they have the equipment to do it, and they put the contract in their pockets, and then take their time doing the job.

I think this is a good illustration, because we have equipment scattered over four or five contracts, and not enough to finish any one job completely.

That has had a great deal to do with holding up the highway work in this area. I hope the Committee will make a strong recommendation in that regard.

THE CHAIRMAN: I think we have some evidence from outside sources, where that is adhered to and the question of penalty or liquidated damages is written right in the contract.

I think the Committee is very much alive to that subject.

MR. COLLINGS: Mr. Chairman, just further on that: That particular contract refers to work certificates coming in at the end of July, 1949. I

take it that means around the 31st of July, 1949.

At the end of April, 1950, roughly nine months later, the total expended at that time was \$372,000.00. That was more than the total amount of the tender.

So, regardless of that amount spent up to the end of April, 1950, the thing dragged on until 1953.

THE CHAIRMAN: I think we are in a difficult position to get full answers to such questions, because the person who knows about it is not available. I had hoped we would have somebody sent here to deal with these matters as we went along, but we will have to defer that until we get the proper official in Toronto.

MR. BECKETT, Q.C.: All of that information is available in Toronto. Let us deal with it when we get the Toronto officials, who know all the answers.

Asking questions here, when nobody can give us the answers, seems to me to be a waste of time.

THE CHAIRMAN: I think Mr. Collings is speaking from what he saw yesterday afternoon, and you have to follow the continuity of this thing to understand the whole questioning behind it.

MR. COLLINGS: The only thing I saw is the information we have gathered up here. When we get to Toronto, they will say then that the information is up

at Fort William.

MR. WREN: That is what they are likely to do.

MR. OLIVER: It is all right to say, "When we get to Toronto", but as I understand the Chairman's intention, it was to see these jobs on the ground, and perhaps examine witness in connection therewith, in a particular locality.

I think, as the Chairman does, that we have covered a great deal of mileage, and I think the Department of Highways should have co-operated to the extent of making personnel and information available to this Committee while it is on the ground, and in a position to examine the whole matter.

I cannot see but that they have "let us down" in that regard.

MR. JANES: It boils down to this situation; do these people want more contracts called for this year, or do they want the Departmental officials running around the country with us? They cannot do both. They either have to be up here answering questions and go with us, or down in Toronto preparing these calls about which Mr. Cash was just speaking. They cannot do both at once.

I think it is more important for this district of Fort William, and the Head of the Lakes right through

to Rainy River, to get some new calls ready, and get some work done, than it is for officials to be up here giving information which we can get when we are in Toronto.

MR. WREN: In Toronto, they will tell you we can get it up here. Now, they say we cannot get it here, because it is in Toronto.

MR. JANES: No, I think I will differ with Mr. Wren on that. The only information we were refused was information which would conflict with the trials going on in Fort William.

We were told -- and as we all must agree -- that it would be wrong to bring that information out, and convict these people without being heard. I think it is most unfair to demand that these highway officials be up here.

THE CHAIRMAN: I do not agree at all with that statement. I want that to be clearly understood. It was understood before we ever started out that we would have responsible people with us. Whom they were to be was to be left to the discretion of the Department, but I was given to understand that it would be Mr. Tregaskes, who would be with us for the whole time, and if there is any blame to be attached for our not being able to get the required information, it cannot be

placed on the Committee.

MR. JANES: If Mr. Tregaskes is the man most responsible for our present difficulty, he cannot be up here, and in Toronto regarding future calls, at the same time.

THE CHAIRMAN: I regard the duties of this Committee as paramount at the moment, and I will not let anybody shove me into any corner, because they think they should be somewhere else.

MR. OLIVER: It should be remembered that part of the duty of this Committee is to prepare a new foundation, so that when calls are issued, they shall not be carried out in the same atmosphere which has prevailed in past contracts. That is part of our obligation.

MR. MAPLEDORAM: I think that is our No. 1 obligation.

MR. JANES: We have been travelling around --

MR. OLIVER: How can we carry out that duty, if we cannot question the officials. All we can do it to look at the topography -- which is very fine -- but does not give us any further information.

MR. JANES: We went to Albany and got some good information we could use. Mr. Oliver did not have time to be with us.

MR. OLIVER: I will state here and now that, whether I had time to be with you or not, I will make a wager that I know more about what took place in New York State than you do, because I took the opportunity of reading every page of what transpired there twice, which is more than you did.

MR. JANES: I heard it, and I asked questions.

MR. OLIVERS: And very simple questions, too.

MR. WREN: The fact that questions have been asked, and not answered, makes me feel that this Committee has been made the "scape goat" by the Department of Highways.

Hon. Mr. Doucett told us he would be available, with any of his officials, 24-hours a day, if we wanted them, and when we get up here, we have actually ended up with a Cook's tour, at the expense of the taxpayers. I do not like it, and I do not mind saying so.

When the experts were promised to us, to give us what information we require, they should have been here.

MR. COLLINGS: Mr. Chairman, yesterday at the Division Office I noticed on the organizational chart, a list of some chain men and some rod men, who were in the organization prior to Mr. Cash coming here.

I would like to know if these rod men and chain

men, and so forth, at that time were permanent employees of this Division, or do they just come in when there are several contracts under way? Do you draw them in from Toronto, or some place?

I did not notice from this new organizational sheet, whether these men were shown on that or not.

THE CHAIRMAN: Mr. Cash has brought the chart here.

MR. COLLINGS: Are these men now with you?

MR. CASH: There has been some turn-over. I cannot give you the exact names, without checking the office.

In regard to your other question; for the Atikokan road in particular, most of the personnel was brought in from outside.

The way we do it at the present time is this; we recruit from the local area, and will continue to do so. If there should be a shortage, we contact Toronto, and they endeavour to supply help.

These people are all known as "casual staff", and not "permanent employees".

THE CHAIRMAN: I believe that Mr. Jones has just been promoted to District Engineer. What position does he occupy in your set-up at the moment?

MR. CASH: He is Maintenance Engineer.

THE CHAIRMAN: Was he Maintenance Engineer in this organization, before you came here?

MR. CASH: No, sir.

THE CHAIRMAN: He is now?

MR. CASH: Yes.

THE CHAIRMAN: Whom did he replace?

MR. CASH: Mr. Foreshaw. He replaced a Mr. Collins, who was here temporarily.

THE CHAIRMAN: Is that shown on the chart?

MR. CASH: No. Mr. Collins replaced Mr. Foreshaw.

THE CHAIRMAN: What is his capacity now?

MR. CASH: Resident Engineer at Fort William, on construction.

I asked Mr. Foreshaw to be here to-day, at your request.

MR. OLIVER: Did Mr. Cash say he requested Mr. Foreshaw to be here?

THE CHAIRMAN: Yes. Mr. J. H. Foreshaw, who was Maintenance Engineer in 1953, is here, and he was Maintenance Engineer at that time. That is why he was asked to be here. It was thought he might be able to help give this information about which we have been asking.

MR. OLIVER: Is he here?

THE CHAIRMAN: Yes, he is here.

MR. MAPLEDORAM: I do not think he had anything to do with those contracts.

THE CHAIRMAN: Actually he was requested to be present, as we were travelling around, as we thought it might be helpful to have him with us.

MR. MAPLEDORAM: For certain information on maintenance work?

THE CHAIRMAN: Yes.

MR. WREN: What do you mean by "maintenance work"?

MR. MAPLEDORAM: The Maintenance Engineer.

THE CHAIRMAN: I think since Mr. Foreshaw is right here, this would be an opportunity if any member wants to ask him anything about the re-organization of his maintenance staff, and any other questions we may want to ask him, keeping in mind the proprieties we are trying to observe in relation to the duties, and so forth, at that time.

MR. JANES: I was wondering who are permanent, and who are casual employees.

THE CHAIRMAN: At that time?

MR. JANES: Yes.

J. H. F O R E S H A W,

Resident Engineer on Construction, Fort William,
appearing before the Committee, but not being sworn,
deposes and says:

BY THE CHAIRMAN:

Q When did you leave the position of Maintenance
Engineer?

A September, 1953.

Q When did you come here?

A In the Spring of 1947.

Q In the Spring of 1947, you were appointed Main-
tenance Engineer, and in September, 1953, you left that
position?

A Yes.

MR. JANES: Perhaps we are more interested in
who are on the staff now, and who are permanent and casual
employees.

THE CHAIRMAN: He is not now Maintenance
Engineer. We can get that from the chart, which Mr. Cash
has with him.

MR. MAPLEDORAM: I would like to ask a question
of Mr. Foreshaw, if it is permissible; it is the question
which was raised two or three times in the discussions in
Toronto with regard to the permanent staff, and members

of the staff who are just hired day by day.

It seems to me that in the Fort William Division particularly, we do not have too many permanent employees, but we have a great many casual employees.

BY MR. MAPLEDORAM:

Q Mr. Foreshaw, can you enlighten us as to why that practice prevails in the Fort William Division, to such an extent?

I have had repeated requests for information from employees of the Highways Department as to why they were not made permanent.

We had Mr. Foster of the Civil Service Commission, speak to us in Toronto on this subject.

A I understand, Mr. Mapledoram, it was the general practice throughout the Province to keep the permanent staff to a minimum. Why, I do not know.

BY THE CHAIRMAN:

Q Will you tell us your experience?

BY MR. MAPLEDORAM:

Q Do you see any reason why a certain type of highway employee, working continually, cannot be made a member of the permanent staff, and, therefore, become eligible for pensions and all of the other things?

A My opinion is that after a trial period, they should be appointed to the permanent staff.

Q You know there were a great many of them, when you were the Maintenance Engineer?

A I do.

Q Did you not have many coming to you and asking why they could not be made members of the permanent staff?

A Yes, and I advised them to get in touch with the representatives in Toronto, and see what they could do.

Q I do not think it makes for good relationships in the Department, if fellows who have worked for 15 or 20 years are still casual, in the sense that they cannot become permanent. I think, for the benefit of the staff generally, something should be done in that regard. It would make for better relationships within the Department.

As I said before, in the bus, the other day, I think one of our major problems in this investigation is to find ways and means of putting the Highways Department where it will have the full co-operation of all the employees in it. I do not think it has had that in the past, and I think that the same condition has led to this very situation which we are investigating at the present time. I think it was the question of low wages, and no pensions, nor other perquisites which led some of the employees to put themselves in the position of taking other ways and

means of raising funds.

MR. WREN: That is one thing upon which I would like to say a word. Mr. Mapledoram has mentioned the matter of wages. I would like to have presented to the Committee, and entered in evidence, the wages paid to the various classifications.

THE CHAIRMAN: You were not in Toronto at the last meeting?

MR. WREN: No.

THE CHAIRMAN: That was put on the record then.

MR. WREN: I believe there are no other people in the world who know what their take-home pay is than these people here, because it is so little, they cannot take it anywhere else.

I would like to see some upward revision from the engineers down to the common labourers, something consistent with his responsibility, that is within the range of reason.

MR. MAPLEDORAM: I think this matter was discussed in Toronto, when Mr. Wren was not there, and there was a recommendation suggested at that time.

One other point which did not come out, is the fact that in recommending new contract forms for contractors, they had to take the stand that the prevailing

rate shall be part of the contract. That is something which has been abused in this area.

I would like to make my position clear on that.

THE CHAIRMAN: You are suggesting, Mr. Mapledoram, that the contract itself should have a provision about fair wages?

MR. MAPLEDORAM: That is right.

THE CHAIRMAN: In line with the wages prevailing in the community?

MR. MAPLEDORAM: Yes.

THE CHAIRMAN: I think we have that information in connection with contracts we have been studying in other jurisdictions, and we will certainly give it more consideration.

MR. WREN: I think one of the things is that many contractors will be operating in the borrow pits, and moving machinery along the roads, and they do not leave the roads in a very good condition, and the average municipality has no recourse to collect from them. If the contractor refuses to co-operate, the township is left "holding the bag", and has to re-build some of the roads after they move out.

THE WITNESS: I do believe that the townships have the privilege of closing a road if it is

being damaged with heavy road machinery.

MR. WREN: They never have.

MR. MAPLEDORAM: I do not want to contradict you, Mr. Foreshaw on that matter, but I think the situation on Highway No. 61 is a glaring example of what the contractors do to the township roads.

I have a request for the Department of Highways to put in shape some of these roads they smashed, and tore down the parks and bridges.

THE WITNESS: I think they have the privilege of closing the road when they see any damage being done.

MR. MAPLEDORAM: It is one thing to close a road, and another thing to get the road repaired.

MR. JANES: I think Mr. Cash can clear up that point immediately.

MR. CASH: In regard to the particular case you are mentioning, Mr. Mapledoram, the municipality involved is making a claim upon the contractor for damages, and they sent a copy to me, and I will forward it to Toronto. I do not think that contract has been finalized as yet.

Before we finalize a contract, we must have a statement from the contractor that he is clear of all obligations.

MR. OLIVER: Do you know of any case in your

experience where a municipality has billed a contractor, through the Department, and has been paid, and if so, in what amount?

MR. CASH: No, sir, I cannot think of a case of that kind. In my experience, they go to the contractor, and the contractor generally puts in a few loads of gravel, and, as far as I am concerned, it is satisfactory.

MR. MAPLEDORAM: Mr. Chairman, in answer to Mr. Cash, may I say that we have municipalities involved in a contract on Highway No. 61, particularly the township of McCoomb, and they had a great deal of difficulty getting some bridges replaced. I think finally they were fixed up.

MR. CASH: I would suggest that the municipality file a claim on the contractor.

MR. MAPLEDORAM: It is one thing to do that, and another thing to collect it.

MR. CASH: No reason why he should not try.

MR. COLLINGS: That is a good argument against the classification of contracts.

MR. VIBERT (Northwestern Ontario Manufacturers Association): In our municipality, where Highway No. 61 passes through, we ran into trouble with the contractors there, with their Euclids going over our roads. It took

us approximately 2 years to get that straightened out, and get the bridges they demolished repaired. Through the insurance companies, that has been paid back, and it has been squared up as of now. But it is the old portions of Highway No. 61, which are the roads we are worrying about now. It affects three municipalities in that area, and for 3 years now, since the road has been completed, we have been unable to get this road put back in shape.

We do not want to take over the maintenance of the old highways, and we have not been in a position to put it in shape. Nobody will take over the maintenance, and the people in that area are suffering. The school buses are running over that portion of the road. It was pavement originally, but now, when you travel over that road, you will see it is nothing but pot holes. I feel it is hard on the municipality, and we have written letters to the Department in Fort William, and to the Member, and he has tried to get this portion back in shape, so we can take it over. We are not particularly anxious to take it over, and we will not take it over in the shape it is in now.

While I am here, this may be an opportunity to mention one thing. You have heard some talk about the snowplowing, and I do not want to go back into that, but

in our municipality, where we have a budget of \$20,000., to spend on roads, we have 70 miles of road to cover.

We have a full-time Road Commissioner, a grader operator, and a grader, and a truck driver, and a truck. Our of that money, approximately between \$6,000. and \$8,000., now goes into snowplowing. Another \$1,200. goes to snow fencing, and the balance is left and for that amount we do a little bit of gravelling, but we do not get much done in a year. On a 50-50 basis, one snowplow in this area, is not enough. That should be increased to 60-40, at least, if we are going to keep up with snowplowing, as we have about 70 miles, and it is a big project.

With our present budget, I do not think it is fair to ask us to spend any of this money on snowplowing our roads, and we are really "taking a beating" on account of it.

MR. WREN: Did you ever make a claim on the Department of Highways for damages to the roads?

MR. VIBERT: Yes, we made claims.

MR. WREN: What was the result? Did you get any action?

MR. VIBERT: No, we have not received any action.

MR. WREN: Can you give us an estimate as to

what the cost will be, for the preservation of the bridges?

MR. VIBERT: It is not so much the damage to the roads in our municipality, It is in the neighbouring municipalities where the roads are damaged. They are getting the contractors, before the contracts are finished, to put that road back into shape. It is not up to the standard they will require, and it amounts to about \$8,000. or \$10,000. It was gravel.

In our municipality, the contractors were not responsible for damages to the roads, but it is the boundary piece of the road, about which we are worrying at the present time.

MR. WREN: I would like to see something done which would bind a contractor, who works in a municipality,-- whose difficulties are great due to the shortage of funds -- I would like to see a contractor before he gets his final payment have to get a clearance from the Municipal Engineer in the district, stating that the roads in that district are in the same condition as when the contractor commenced -- at least as good.

MR. VIBERT: I think that is all I have to say.

THE CHAIRMAN: Mr. Cash might mention one point there.

MR. CASH: The question of old Highway No. 61,

is a good point. I have issued instructions to the Maintenance Engineer to put this in shape, and I will have to check it again, but I can assure you there will be some action there.

Have you ever submitted a letter, showing in detail, your requirements before you take that road over?

MR. VIBERT: No, I do not think it came to that. I just asked that work be done on it.

MR. CASH: Would you do that? It will bring the matter to light, and I will forward your letter to Head Office.

MR. VIBERT: Yes.

MR. CASH: We will certainly look after "old 61". I will check on that again.

MR. VIBERT: We have discussed that road with the Municipal Engineer, and I think we can give you what we think is fair, before we take it over.

MR. MAPLEDORAM: I, with the Municipal Engineer, made a survey of the road and of the condition it was in, and some of the township bridges were not satisfactory to the municipality, on Highways Nos. 17 and 61.

To my knowledge, a copy of the letter has been in the files of the Highways Department for over a year and a half -- one year, at least. They made a survey.

THE CHAIRMAN: I wanted to ask Mr. Foreshaw

in regard to pages 35 and 36 of the Woods-Gordon report, where there is a comment on the "casual employees" situation.

The report refers to certain designated appointees, who cannot be Civil Servants, under the regulations and the Public Service Act. I will read this, and ask Mr. Foreshaw for his comment, from his experience, as to whether he sees any serious difficulty in changing the regulations with respect to a particular classification.

The first classification in the casual staff is "Labourer" --

THE WITNESS: I think they should be treated the same as any other. We have labourers who have been with the Department for -- I am sure some at least -- as long as 20 years, and are still "casual". I think after a period of trial, they should be appointed permanently.

MR. MAPLEDORAM: Are they on the permanent staff?

THE CHAIRMAN: They are not now.

MR. MAPLEDORAM: I mean, are they working all the year around?

THE WITNESS: Yes, they are working all the year around, and some of them have been working as long as 20 years.

I cannot name any labourers offhand, but I know patrolmen who have been working for 20 years, and who are still "casual".

THE CHAIRMAN: The next is, "Unit Operator".

We have had unit operators, I might say, for some length of time.

BY THE CHAIRMAN:

Q The next is, "Handyman"?

A Yes. They come under the same classification. They are kept on all the year around. There is no reason why they should not be permanent. They are permanent, in another sense.

THE CHAIRMAN: And the next is, "Road Foreman"?

A Yes, absolutely.

THE CHAIRMAN: "Messenger"?

A Those I do not know about.

THE CHAIRMAN: "Warehouseman"?

A I think some are permanent.

Q "Road Inspector"?

A They should be permanent. There would be more security for them, and they would be more interested in their work.

Q "Axeman"?

A No, they are picked up for a job.

Q How about "Chainman"?

A After 4 years, yes.

Q "Rodman"?

A The same thing.

Q The "Levelman"?

A The same thing.

Q "Bridge operator"?

MR. MAPLEDORAM: That is someone hired for
a lift bridge.

BY THE CHAIRMAN:

Q How about "Instrument men"?

A Oh, definitely.

Q "Resident Engineer"?

A Yes.

Q "Road Superintendent"?

A What we call "Patrolmen", here.

Q "All apprentices"? That goes without saying?

A Yes.

Q "Apprentice Draughtsman"? Do you include
them?

A I think they should pass their apprentice
stage, before they become permanent.

Q That would also apply to the "Apprentice Sign
Painter", and the "Apprentice Mechanic"?

A Yes.

Q And to the "Painter"?

A Yes.

Q "Weighman Checker"?

A That is something which may have to be taken up, according to the amount of work in the district, and that may not be convenient.

Q There might be some question about them, in your mind?

A Yes.

Q "Cleaner"? That is the charwomen?

A I do not think so.

Q "Ferry Operator"?

A We do not have them here.

Q "Deckhand"? You do not have them either?

A No.

Q You feel those whom you mentioned could be included in the permanent service?

A Yes. They would give better service, and it would tend to give a man more sense of security.

MR. GORDON: I wonder if I could draw your attention to our recommendation in the report? I am of the opinion that some of these people should be eligible for permanent Civil Service status. I do not think it would be sensible for them all to be permanent Civil Servants.

Our suggestion was the establishment should

be decided in each office, and up to that establishment, some would be permanent and some casual.

I think if you took them all and gave them Civil Service status at a time when there is an immense amount of work going on in the Department, you may get into a position when you are over-staffed, at a time when there is less work going on.

THE CHAIRMAN: Is there anybody else who has any question they would like to ask Mr. Foreshaw in relation to the maintenance problems? (No response.)

THE CHAIRMAN: Thank you, Mr. Foreshaw.

----- The witness retired.

THE CHAIRMAN: It is now a few minutes past 12:00. There is a brief on behalf of the Fort William Chamber of Commerce, which we might receive, and if there are other people who want to give any evidence, or should any further questioning be required after that, those who may want to be heard may be advised that we are re-assembling after luncheon. We cannot have this hall here. We appreciate very much the opportunity of meeting here this morning.

There is a Mezzanine lunchroom which has been spoken for, in case it is required, for the afternoon meeting. Perhaps we can determine in a few minutes

whether that will be necessary or not.

Let us have the Fort William brief now, as the gentleman who is going to present it is here, and we can deal with it before luncheon.

H A R V E Y J O H N S O N ,

Secretary-Manager of the Fort William Chamber of Commerce, appearing before the Committee, but not being sworn, deposes and says:

THE CHAIRMAN: We will be interested in hearing what you have to say, Mr. Johnson.

THE WITNESS: This brief is very short. I will read it to you:

"The Fort William Chamber of Commerce, through its Roads Committee, has four recommendations to make to the Provincial Legislative Highways Committee, and asks that they be carefully considered on their respective merits. In our opinion we have listed them in order of their importance.

"The completion as quickly as possible of the 15 miles of highway from Shebandowan to Highway 17. The existing egress to Highway 17 from Shebandowan presents a serious traffic problem with the tremendous increase of traffic over this narrow, hilly, winding, wagon road. Therefore, in the interests of safety,

"this road construction should be considered without delay.

"The continuance of the Atikokan Highway 120 from Atikokan to Fort Frances at the earliest possible date. This proposed new road will link the Lakehead with the agricultural produce of the Rainy River District and make possible a loop highway through Ontario for American visitors as well as open up for expansion this portion of Canada.

"The Chamber cannot emphasize too strongly the importance of hurrying the completion of Highway 17 --

THE CHAIRMAN: Mr. Cash says there is a contract for clearing which will be called in a matter of a few weeks.

THE WITNESS: Yes, we realize that, and we mentioned "as quickly as possible".

"-- From Marathon and White River to the Montreal River area above Sault Ste. Marie. Here again the tourist industry is an obvious factor. With the construction of the bridge across the Straits of Mackinac in the offing, the romance of a 1,000-mile trip around Lake Superior is an attraction which should be studied on a provincial level and this highway should be rushed to completion."

THE CHAIRMAN: Regarding your number two: we have had similar representations, and I think this Committee

has pretty well made up its mind -- those of us who have travelled around -- that that should be done.

THE WITNESS: We wish to underline that, sir.

THE CHAIRMAN: All right. If you will commence with number three again.

THE WITNESS. (reading):

"The Chamber cannot emphasize too strongly the importance of hurrying the completion of Highway 17 from Marathon and White River to the Montreal River area above Sault Ste. Marie. Here again the tourist industry is an obvious factor. With the construction of the bridge across the Straits of Mackinac in the offing, the romance of a 1,000-mile trip around Lake Superior is an attraction which should be studied on a provincial level and this highway should be rushed to completion."

THE CHAIRMAN: You endorse the Sault Ste. Marie road along the shore route?

MR. MAPLEDORAM: Number three, are the roads they are talking about -- One is already called, and the other we have agreed on in principle.

The third one, I understand, will be called -- 40 miles of clearing on the stretch about which the Witness is speaking.

Is that right, Mr. Cash?

MR. CASH: That is right.

MR. MAPLEDORAM: The idea is that the pre-engineering will be done as quickly as possible?

MR. CASH: Yes.

THE CHAIRMAN: That does not mean necessarily it will go down to the Montreal River?

MR. MAPLEDORAM: Not necessarily, no.

THE CHAIRMAN: That would join up with the Trans-Canada?

MR. MAPLEDORAM: It would be a temporary solution for the Lake Superior road.

BY THE CHAIRMAN:

Q Will you proceed, Mr. Johnson?

A Yes, Mr. Chairman:

"This may not come within the provincial scope, but it should be mentioned here that the road to Mount McKay through the Indian Reservation should be put in first-class condition and maintained. Further that this road be extended around the mountain side to connect with Highway 61. In not being able to recommend this road to the tourist, we are passing up one of the most memorable sights in the Thunder Bay District, the panoramic view of two cities from the first ledge of Mount McKay.

"All this is respectfully submitted."

MR. MAPLEDORAM: There is a road at the present time going into the Reservation which Mr. McCue let us on, and it is ~~extended~~ into the rough hills on further, and they are asking that it be extended further on the other side of the mountain to connect with Highway 61, and they are urging it be put into good condition.

I would imagine this is either a municipal matter or a federal matter.

THE CHAIRMAN: Highway 61 is the one we did not get over. It is the one to Pigeon River?

MR. MAPLEDORAM: Yes. We did not show you the good highways. We just showed you the others.

THE CHAIRMAN: Thank you, Mr. Johnson.

--- The witness retired.

MR. MAPLEDORAM: Mr. Chairman, if you are going to adjourn shortly, I would like to show the Committee the broadaxe which was used in cutting the ribbon when opening the Trans-Canada Highway west of here, and the highway from Schreiber to Geraldton, and then opening a portion of the Trans-Canada down through Sault Ste. Marie, and will be used also at the opening of the Atikokan highway, which will take place this Fall, if the hon. Premier can come up.

It is a good, substantial piece of material, and I think it will stand the strain of cutting ribbons wherever

necessary. We are anxious to get more ribbons in this area. We would surely like to use it again.

THE CHAIRMAN: Gentlemen, I think that concludes the briefs.

If there is anybody present who wants to address the Committee, the opportunity will be afforded. I do not know if there is anybody in the room who has come here with the idea of speaking to this Committee. If so, would they please do it now? (No response.)

If not, we are in this position; if the Committee members feel that anything further would be desirable at this point with respect to the highway officials who are here, and it cannot be concluded in the next 15 or 20 minutes, we can make an appointment for this afternoon.

If the business for this morning has pretty well reached its conclusion, perhaps we can close it out in a few moments. I do not want to hurry you. If you feel an afternoon session will be of value, we can announce it now.

MR. MAPLEDORAM: I think we should re-convene.

THE CHAIRMAN: Then we will re-convene at 2:30, in the Mezzanine Lunchroom of the Prince Arthur Hotel in Port Arthur. We will re-convene at 2:30, as I say.

MR. MAPLEDORAM: There may be a chance that some of the citizens of Port Arthur may want to appear.

THE CHAIRMAN: I will ask the Secretary to advise Mr. Wardrope that this arrangement has been made.

Will we want Mr. Cash to attend?

MR. WREN: Oh, yes.

THE CHAIRMAN: And I will ask him to have the chart available at 2:30.

Will we want Mr. Foreshaw?

MR. WREN: Yes.

THE CHAIRMAN: Then, will you be available, Mr. Foreshaw?

MR. FORESHAW: Yes.

THE CHAIRMAN: Mr. Smith, will you be with us?

MR. SMITH: Yes, Mr. Chairman.

MR. MAPLEDORAM: A question was raised yesterday regarding the P.C.V. licenses, and I would like to hear Mr. Smith and Mr. Foreshaw discuss that matter.

THE CHAIRMAN: I understand the Mayor of Fort William is in the building. If he is here, we would be delighted to have him speak to this meeting.

HIS WORSHIP MR. CARSON (Mayor, City of Fort William): Mr. Chairman, and gentlemen; we are very glad to have you with us in our auditorium. I hope your deliberations are proving beneficial to you, after you

have had the opportunity of coming up here and viewing this great part of Northwestern Ontario -- the greatest part of the Province, incidentally.

I was not able to sit in with you and enjoy hearing the briefs, although I did have an opportunity of hearing a portion of the brief from the Chamber of Commerce, and I would heartily endorse their presentation to you.

We need a great many things in Northwestern Ontario.

It is a pleasure to have you with us in Fort William, and I take pleasure in welcoming you on behalf of the citizens and our Council. If there is anything further we can do to assist you, please do not hesitate to let me know.

THE CHAIRMAN: Thank you, Mayor Carson. On behalf of the Committee I would like to express our appreciation for your courtesy in letting us meet here, and for the very orderly behaviour of all your citizens.

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---- Whereupon, at 12.17 o'clock P.M., the further proceedings of this Committee adjourned, to re-convene in the City of Port Arthur, this afternoon at 2:30 o'clock.

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Mr. Earl Smith,	District Road Engineer, Department of Highways, Fort William
Mr. J. H. Foreshaw,	Resident Engineer, Department of Highways, Fort William
Mr. E. A. Cash,	Division Engineer, Highway Division No. 19, Fort William
Mr. Frank Moore	-

- - -

THE CHAIRMAN: Gentlemen, the meeting will please come to order.

Mayor Robinson, of Port Arthur,-- who was a colleague of ours in the House a while back; at least of some of us -- is well-known to many of us in that capacity, as well as in his capacity as Mayor of the City of Port Arthur.

We appreciate his permitting us to use this room today, and would like to hear a few words from him.

HIS WORSHIP MAYOR ROBINSON: Thank you, Mr. Chairman and gentlemen. I welcome the opportunity of shaking hands again with some of my former colleagues in the Legislature, and I welcome you all to the City of Port Arthur.

Your task may not be the most pleasant one, but it is a very important one, and I assure you that anything the City of Port Arthur can do to facilitate your work, and to make your visit pleasant while in the

City, will certainly be done, and we are entirely at your service. (Applause)

THE CHAIRMAN: Thank you, Mr. Mayor.

We were in the middle of discussing some matters of organization, and it may be there are some delegations or some spokesmen here this afternoon, who may want to speak on behalf of certain organizations in relation to any matter which they think pertinent.

Perhaps we could start with them, if they are here, before we revert to the other work before us.

I believe one of the tourist organizations is represented here by Mr. Widnall, and I think he has a few remarks he would like to make to the Committee.

MR. A. WIDNALL: Mr. Chairman, members of the Highways Committee, ladies and gentlemen; I am here to-day as, I might say, a citizen of Northwestern Ontario, and have been for the past 48 years. It has been a privilege to live here and grow up with the City.

We landed in Port Arthur on my birthday, August 11th, 1903. My "Dad" at that time had been sold a farm 40 miles west of here, where he tried to eke out a living, and I was sent to school in the Lakehead cities. So you will realize I have quite a love for Northwestern Ontario, and the municipalities therein.

To-day I come before you as the President of the Northern Great Lakes Area Council, which is made up by the tourist organizations of Wisconsin, Minnesota, Michigan and the Province of Ontario.

I was appointed by the hon. Premier as the representative of Northwestern Ontario, and, therefore, in the formation of these three States and the Province of Ontario into this large tourist organization, we are concerned with the tourist industry, and with the economy of Northwestern Ontario, in fact, all of Ontario and Canada as well.

I was interested in following your route through the State of North Dakota, because it happened in 1940 - 1941, I was District Governor of Rotary, and my district was the States of North Dakota, part of Wisconsin and part of Ontario, so I am familiar with the terrain you have been travelling over.

There are two instances I might mention. At the State Capitol in Bismarck, the warden of the penitentiary was a member of the Rotary Club, and he invited me in on a tour of inspection. There was an iron gate there and guards, and as we went into his office, he put out his hand, "Welcome to the State Penitentiary of North Dakota". It was a wild feeling, because I did not know whether I was going to get out or not.

The point I am trying to bring up at this time is in regard to the highways in Minnesota. I have travelled some 36,000 miles on their highways, and I think you will agree they have the finest highway system of all, but I understand you did not have the pleasure of travelling from Duluth to Fort William, which would have taken you over one of the really scenic highways on the North American continent, but the last 15 miles was practically only a sand trail, because the Governor of the State of Minnesota had difficulty getting the federal government to improve the road going through an Indian reservation.

I had my wife with me on one of these trips, and we came into a little hole, and I broke the two back springs, and my wife hurt the back of her neck, and was incapacitated for two or three days.

A week later, two old ladies went into the same hole, and were taken to the same hospital. At that time the Governor was travelling through the State of Minnesota preaching good-will, and endeavouring to get the people from Canada into Minnesota and North Dakota.

I wrote him a letter and I said it was an unfortunate thing, but the last 15 miles of his excellent highway to the boundary was still a cow trail. That was years ago.

The illustration I am trying to make is this: When I met the Commissioner of Highways for the State of Minnesota, he said, "When the Governor received your letter, he consulted the Highway Commissioner who asked, 'Is there such a thing as a road of that kind between these two great countries?', and the Commissioner said, 'Yes'. The Governor said, 'Why?'". He was told that it was because they could not come to an agreement with the federal government.

Within three years they had \$78,000.00 to improve that highway between the two great nations, and to create good fraternalism between the two countries in the tourist industry.

I think in Ontario, the Province and the Highway Department have done a fine job. They have built highways which are second to none on the Continent, and are surely making some progress. But, unfortunately, these highways scandals have reached the point where we are taking a backward step.

The one thing I want to leave with the Committee is the thought of public relations. Regardless of what our politics are, whether Conservative, Liberal or C.C.F., we are interested in the Province of Ontario, and we are interested in Northwestern Ontario being joined with Old Ontario. And we are interested in

being able to visit our neighbours in Fort Frances and Atikokan, or Terrace Bay, or whatever it is, and it seems unfortunate that the fine start we made to build these highways was suddenly retarded, because we have had a little trouble.

I call it a "little trouble". As I was coming from Fort William to Port Arthur, I looked at the C.P.R. line, and I thought that while we do say that some people did do wrong, -- because one or two had done wrong, or some contractor had done something which was not right, -- we could say the entire C.P.R. was doing something wrong, and should be closed down, and that the public relations in the district office should cease. No.

Industry in Canada must carry on. We feel, as far as Northwestern Ontario is concerned, we have to carry on, and these difficulties in the last year or so are extremely unfortunate for a country like Northwestern Ontario, which has such vast and unlimited possibilities.

I feel terrifically for the employees of the Department of Highways, because one or two have done something they should not have done. We all make mistakes in our lives, but because they have done something -- a very few of them -- is no reason why there should be a cloud of suspicion over all these employees. It seems to me,

at the present time, there is that feeling of suspicion.

I am hoping beyond hope that you gentlemen who are now travelling through this district, through this vigorous country of ours, will be able to do something to relieve the situation as it presently exists.

THE CHAIRMAN: That is what we are here to try to do.

MR. WIDNALL: As you know, Mr. Wren and Mr. Mapledoram are natives up here, and they know something of the conditions, they know how we have to live in 30-degrees below zero weather, but we have to live and progress and because something has happened, we cannot stop the progress of this Province.

I am hoping that, as a result of the trip you have made through Northwestern Ontario -- because you have travelled on the highways and by-ways, travelled by plane, and by canoe, and have seen what we have in this great country -- that you can see that something is done to bring about an improvement in this district.

We do not know when the court cases will end, and we do not know when the contractors will be through, but why can something not be done for the future? Why not get our highway machinery, the stream shovels, and trucks, and so forth, running now, to build up this northwestern part of the Province?

It may sound a little odd to some people, but it seems very sad that we should be held up, and that men who have given their lives to the work and have done fine jobs for the Department of Highways, should be held up and not be able to go ahead and do the job as they should do.

THE CHAIRMAN: There was an announcement this morning regarding several jobs about to be let, and tenders called.

Have you any suggestion regarding improved public relations?

MR. WIDNALL: From the public-relations standpoint, maybe I have not got my point "across". The point is, get rid of this cloud which is hanging over your Highway Engineers, and your Division Engineers, and lend every assistance to the men working for the Highways Department today, and give them a chance to get on and do the job.

Right now, it seems to me the men of the Department are afraid to talk to one another. They are afraid to use their own initiative to develop this northern spirit.

I might bring it into focus in your investigation, by saying, as a past president of the Northwestern Chamber of Commerce, that we in Northwestern Ontario are

too far away from Toronto. You gentlemen have your interests down there, but in an expanding country, such as Ontario, we should have a central office here, and somebody from Northwestern Ontario who would be closer to the Cabinet. Such as a Cabinet Minister, or a representative of the Government, somewhere near here where people can get close to the Government when discussing their problems, without having to go all the way to Toronto and back. We are too isolated. Public relations are a good thing. I think we have gone behind terrifically in the last year, and what we want now is to get our Engineers and employees of the Highways Department working, and doing their jobs to-morrow. They are not all criminals, they are good, intelligent men and can do a job. They have done it in the past. Let us listen to reason, and let them do their job, as they can do it.

You have heard it said, and may have read in the papers, that the people for a while were asking for a parliament in Northwestern Ontario. Why is that? Because of this isolation; because we have no direct liaison between this country and Toronto.

I wonder if you cannot visualize some way of establishing a trusted official, responsible to your Government, who would have charge of all the affairs of Northwestern Ontario, highways, lands and forests, everything.

It would be of such tremendous help to us here, if we could have something where we could have a clearing house and a liaison, better public relations, and make the people of Northwestern Ontario feel that we are part and parcel of this great Province, and neighbours to our friends in Southern Ontario, as well.

In closing -- and I do not know whether I have got my point "across" -- why can we not have the Department of Highways forces go out and build for the future of Canada, starting even to-morrow, and have them go out with a smile, instead of going through the highways and by-ways feeling that someone is pointing a finger at them. They are not all dishonest --

THE CHAIRMAN: We are fully aware of that, and we have repeatedly made it clear that we are not on a tour of suspicion.

MR. WREN: I think the speaker (Mr. Widnall) is creating rather an erroneous impression. I am glad you checked him on it.

THE CHAIRMAN: This Committee is not travelling around suspecting people. We are going here and there to find ways and means of recommending improvements, in order to get things going as rapidly as possible.

Mr. Widnall, you did suggest better public

relations, and you have given us some great help. I am sure the Committee feels it is helpful, and I can assure you your remarks will be given careful attention.

We thank you very much for coming before us.

---- Mr. Widnall retired.

THE CHAIRMAN: Before reverting to some of the work on the agenda this morning, is there anybody in the room who wants to come forward and discuss any matter relative to our work?

MR. FRANK MOORE: I would like to say a few words, Mr. Chairman.

Mr. Chairman, members of the Committee, ladies and gentlemen: I might say I am very pleased to have this opportunity of coming before this Committee. I have lived in this northwestern area for quite a number of years, and one of our big problems through those years has been that of highway transportation.

I can recall back when the Trans-Canada Highway was first started, during the time of the Hepburn Government, when they started the highway through from Schreiber and White River. Everybody was in a second Heaven, that we had a government which realized there was such a place as Northerwestern Ontario, and that the Province really did extend beyond North Bay and Sudbury, and that

we were at last coming into our own. Unfortunately, that project was never carried through.

We have seen various efforts made, and a considerable amount of money spent in this Northwestern area, but we have yet to have a road built capable of handling the amount of traffic coming into this part of the Province.

I would call particular attention to that section of the highway upon which you have travelled -- at least on some parts of it -- in the last few days, between the Lakehead and Nipigon. That stretch carries all the traffic coming in from the eastern part of the Province, as well as the traffic coming up from Terrace Bay, Marathon and Schreiber. However, it is a bottleneck. We think we are nearly travelling over the Ocean waves, when we travel over it. In the last two weeks, it has been put in good shape, but a month or so ago, it was not so good. The same holds true every Spring. Every Spring we have the same trouble.

The road is black topped, and after the Summer tourist traffic, and in the following Spring, it is broken up, and in many cases it has to be scarified, because there are so many pot holes.

We feel that this part of the Province has been neglected. I know representations have been made for a

Cabinet appointment from this area. We feel that is the only solution to our problem. If we had a man appointed as Minister of Northwestern Ontario, he could look after the affairs here, and carry the wishes of the people in this area direct to the Cabinet, and I do believe we would receive far more consideration than we are receiving at the present time.

MR. OLIVER: I suggest Mr. Wren for that post. (Laughter)

MR. WREN: Confidentially, I could not fill the present vacancy.

MR. MOORE: Mr. Taylor this morning spoke of the 5 miles of road to Red Lake and the highway to Nakina.

The people of Red Lake are concerned with the Red Lake road, because it gives them a direct link to Highway No. 17.

In Red Lake there are about 375 vehicles. Gasoline sales in the town last year totalled over 105,000 gallons, and the sales so far this year have been running around 10,000 gallons a month, which is not to be sneezed at, for a small town.

Certainly, for the number of vehicles traversing that road, it is hoped the Government will give every assistance possible to have that road put in first-class

shape and paved. We have people coming in over that road from points as far away as Hearst, and also from Nipigon, some of them travelling it twice a day. We have transport trucks and trucks hauling paper out of the mill, and transports bringing supplies to the mill. This Spring the road was in terrible shape due to the frost.

It is true, that some work is being done, but the people using the 5 miles of road to Red Lake do not want a road which is full of pot holes. I have travelled on No. 17 when I have had to take to the shoulders of the road, because of the holes in the centre of it. I do not think that you in the East have to contend so much with that. If you did, something would be done about it very quickly.

I think the people of the North are entitled to as much as the people in Eastern Ontario. We feel we are entitled to as good roads as they have in the East. We do not ask for many roads, but the ones we ask for should be good, and capable of carrying heavy traffic safely, which they are not at the present time.

There is a hill between Red Lake and Nipigon, known as "suicide hill", because of the fatal accidents which have occurred there during the last few years.

Transport drivers who go over all the roads and

hills on their travels around the country, say that is the only hill which causes them trouble. Every time there is a snowstorm or the least bit of sleet, the trucks are stalled. Many times I have had to wait for perhaps an hour to get back, because transports have stalled in front of me. This condition does not exist in the East, and it should not exist up here.

I assure you that anything your Committee can do to further the interests of the people of this District, as far as highways are concerned, will be appreciated, and I again thank you for the opportunity of speaking.

THE CHAIRMAN: Yesterday, when we were traveling over the Nipigon road you mentioned, Mr. Cash, that that would be a part of the Trans-Canada?

MR. CASH: Yes, Mr. Chairman.

THE CHAIRMAN: That means, I presume, once agreements are entered into for that particular part of the road, it would be built to the same standards as the road to the East?

MR. CASH: That is right.

THE CHAIRMAN: It certainly is on the planning board, anyway. I will say, confidentially, I think it will come pretty soon. There may be other roads in different parts of the area.

We heard in North Dakota about a system known as the "Sufficiency Record", keeping the records of roads, and projected roads, and the conditions of these various roads, and it would seem to me we have had enough indication on roads right here in the last few days, to start a very interesting "sufficiency record" in this area. That is something we might keep in mind, because nearly all of these representations will involve at some stage or other the actual changing or building of the roads involved, and records I think would be very helpful to you, Mr. Cash, right here on your own properties.

MR. CASH: Yes, sir.

THE CHAIRMAN: Does anybody else wish to address the Committee? (No response)

MR. COLLINGS: This morning and yesterday there was some reference made to the rates of pay of the employees in the Division here. Would it be possible to have Mr. Cash prepare a wage schedule of the personnel in the Fort William Division, and have it sent on to us in Toronto, for consideration next week?

THE CHAIRMAN: Could that be prepared in detail, Mr. Cash, and sent on to us by Monday, which might be easier than to ask you, out of the blue, to give that to us here? Would it be possible to let us

have a general rate schedule?

MR. CASH: Our office is closed to-morrow.

THE CHAIRMAN: We are meeting in Toronto on Monday, Tuesday and Wednesday of next week. If we could have that while we are meeting, it would be very helpful.

MR. BECKETT, Q.C.: Would you give us the number, also?

THE CHAIRMAN: Oh, yes, and if you could give us any notes of comparison, particularly where day rates are involved, and a comparison of the going rates, and so forth, that would be of help.

Anything you can give us by way of explanation, will assist us in that way.

MR. WREN: Some information about the turn-over might be interesting. I am not referring to suspensions, but the normal turn-over of people who leave the Division for some reason or other.

MR. MAPLEDORAM: It would have to be by years. A specific time would be necessary. For instance, what was the turn-over in 1953?

MR. WREN: That will be fine.

MR. MAPLEDORAM: Outside of suspensions?

MR. WREN: Yes.

THE CHAIRMAN: Now, gentlemen, Mr. Smith,

Mr. Foreshaw, Mr. Cash, the Chief Engineer of the Division, are here. Are there any questions you would like to address to any one of them?

MR. WREN: I would like you to call Mr. Smith.

THE CHAIRMAN: Yes. There maybe some members of the Committee who would like to ask him some further questions.

E A R L S M I T H,

District Road Engineer, Fort William, previously heard, and now recalled, but not being sworn, continues his deposition as follows:

BY MR. WREN:

Q Mr. Smith, yesterday Mr. Mapledoram and I were discussing in committee about the requirements for P.C.V. licenses for casual vehicle help for the Department of Highways. Some people classified those licenses in different ways. Up in this country they are called "Progressive-Conservative Vehicles".

MR. DENT: They are always the same.

MR. BECKETT, Q.C.: They are always progressive.

MR. OLIVER: Perhaps where they should not have been.

BY MR. WREN:

Q We were speaking of the hardships created on the

casual truckers in not being able to get P.C.V. licenses.

The Division Accountant said the reason for that was to try and eliminate the possibility of trucks being charged for, but not actually used.

It seemed to us that perhaps the settlers and farmers in the area were being penalized, because of the misdeeds of one or two individuals.

Could you explain what your requirements are?

A The Public Commercial Vehicle License Act has been in force for quite a long time, but I think, with regard to gravel trucks, we never enforced it. About eight months ago that was put into effect, and now all trucks used on any work where the Government is paying for it, or any work on which the Government is paying for the trucks, the trucks must have P.C.V. licenses.

At first, it did cause quite a bit of trouble, but it is gradually straightening out and I am beginning to think it is a good idea. In fact, I recommend it to the organized townships that they do the same thing, because when a truck which has a P.C.V. license, which only costs \$2.00 -- although it takes a little while to get it -- we know that they are insured, and they also have the license we are paying them for. In paying for the trucks, we are paying according to the license they purchase from the Department.

In years gone past, a man got a two-ton license, and we paid for about a five-yard load. Of course, we are improving all the time -- we hope! Now, we pay according to the license.

Regarding insurance; there have been cases where the trucker had taken out insurance, and our instructions now are that we must see the policy, and so on. But, we have had cases where a man would take out insurance, and when he got the job, he would go down and cancel it.

BY MR. WREN:

Q That is a point -- if I may interrupt. What control does the Vehicles Branch have over that situation? How do they know whether when a man gets his P.C.V. license, he does not allow his insurance to lapse?

A There is no chance now of these truckers "putting it over" on our foremen, or the Government. The only improvement which I think could be made in this regard, is some way by which the license could be issued locally. At the present time, we have men applying for these licenses, who have not received them for a month and a half afterwards.

BY MR. MAPLEDORAM:

Q That is what we are arguing about.

A I think the staff was swamped in Toronto.

BY MR. WREN:

Q How do you handle a situation where, we will say, in one of the outlying townships, the patrolmen or superintendent wants a truck for four or five days to haul snow fences, or take them down? How do you handle a situation like that? You would call in a P.C.V. licensee, but you suggest it takes sometimes six weeks to get it. What steps are taken to prevent that hardship?

A At the present time, we cannot hire a man and pay him out of Government money.

BY MR. MAPLEDORAM:

Q They cannot even get their fifty percent?

A We do not interfere with township money, until the end of the year. All the money they have now by by-law, they can use.

Q Then, the real hardship would be on the unorganized territories?

A Yes.

BY MR. WREN:

Q To explore that a little farther; I want to get fixed in my mind the question of insurance. I am not opposed to the insurance part of it; in fact, I think all trucks should be insured for P.D. and P.L. The men on the job working for the Department would be covered by

the Compensation Law?

A Yes, but say a truck had a collision with a car, and killed someone. In that case, if the trucker did not have any money, the Government would be responsible.

Q The Government would be responsible for the vehicle, even though it was hired under contract?

A Under the P.C.V. license, if the driver is not operating his truck, he must take an affidavit that he will drive the truck all the time. Otherwise, he would be around to have compensation. That is the ordinary responsibility under the license, and it protects the man hiring the vehicle.

It has caused some hardship, but to renew it is no hardship, and very soon they will all have them.

Q Is the application for a P.C.V. license for a gravel truck very involved? Is there a set of conditions attached to it?

A I think there is, Mr. Wren. That is all handled in Toronto.

Q Yes, I can see the restrictions on property, and so on, but is there any restriction on the number of P.C.V. licenses you might issue?

A The only "catch" in it is that a man must have a letter from someone, saying he will get a job as soon

as he gets his license.

BY MR. MAPLEDORAM:

Q That is another point about which I have been worried. My contention is, it has a tendency to build up a sort of pool of trucks which have P.C.V. licenses and every farmer who might need a truck in his business and who might make a little money by renting it to the Department, cannot do so unless he has a P.C.V. license.

What would be wrong if when anybody buys a truck, the Department issue a P.C.V. license immediately the truck is purchased? What would be wrong with that? Then you put all truck drivers on an even basis, and you would put the farmers in the position where, if a job turned up around his neighborhood, he could take it.

The way it is now, he must have a P.C.V. license. That is the point I do not like. They feel it is wrong, and I would think the same way. It is discrimination against the settlers who are denied the benefit of taking casual work. If they are interested in highway work, and get the proper insurance, what would be wrong with issuing the licenses and writing out a card, and if a man wanted to put it on a Government job, the P.C.V. could be put on.

MR. WREN: If the patrolman does not like the cut of a farmer's hair, he would not give him a letter.

MR. MAPLEDORAM: That is the funny part about it. He must have a letter signed by the Reeve of the town, saying he will have a job. And if he does not work over two days, it does not make any difference; he still has his license and can renew it again.

BY MR. WREN:

Q You feel the requirement of that letter is perhaps not necessary?

A I do not know why they ever put that in.

MR. MAPLEDORAM: I have no quarrel with the principle, but I do object to people in my Riding having to come in 40 miles, and then wait perhaps a month and a half before they actually get their licenses.

MR. COLLINGS: Do they have to make application to the local issuer of licenses?

MR. MAPLEDORAM: No. They make them to the Motor Vehicle Branch.

MR. COLLINGS: Supposing he was permitted --

MR. MAPLEDORAM: The point I make is that I think these P.C.V. licenses should not apply to casual trucks, and I do not think the regulation was designed for that particular thing at all. It is simply a matter of making sure that he furnishes an affidavit saying he has proper insurance on the truck.

If a farmer is prepared to put insurance on his truck, he should get a P.C.V. license, and if not, he should not.

MR. OLIVER: Are any of these applications turned down?

THE WITNESS: I do not know of any.

MR. OLIVER: Then, if the applications are not turned down but are signed by the Inspector, or somebody in charge, and are issued automatically, they might as well be issued promptly at the Head of the Lakes.

MR. MAPLEDORAM: I think it is very unfair that a man loses employment, because he does not have a P.C.V. license.

MR. OLIVER: There is some kind of a hearing in Toronto?

MR. MAPLEDORAM: I imagine it has to go through the board.

MR. JAMES: It passes through automatically.

(Page 1476 follows)

MR. WREN: In the case of a man getting a certificate; what work would he have to do that would entitle him to do anything with his vehicle? What work could he engage in?

MR. SMITH: I think the day will come when that will have to be corrected, so when anybody wants to hire a truck to a neighbour to haul some wood, he can do so, but if that neighbour has an accident, the man who hired the truck is responsible. The trucker from whom he hired it, should be protected.

THE CHAIRMAN: In other words, compulsory insurance?

MR. SMITH: Yes, to some extent.

MR. WREN: The reason I asked that question was this: by some quirk in the law, it does not apply in southern Ontario, as I am told.

But, say, in Kenora, any man can have a P.C.V. license, no matter what the grade is, as long as the haul is inter-provincial, and he does not deliver the load in Ontario.

For instance, a man in Winnipeg can operate into Kenora, if his load is not picked up within the Ontario boundary.

I think some of them are issued on the assumption that they are going to work for the Highways

Department.

THE CHAIRMAN: It would be simple enough to make special arrangements to provide something to cover highway purposes.

MR. MAPLEDORAM: I think they should be designed to cover all the trucks. I think some recommendation should be considered for the issuing of such special licences, and I would move accordingly.

MR. WREN: I would second that motion, Mr. Chairman.

THE CHAIRMAN: Are we ready to deal with it now, that a form be used whereby a license can be issued right in the district?

MR. COLLINGS: You think the P.C.V. license should be secured, as a protection for everybody?

MR. SMITH: Yes.

MR. MAPLEDORAM: That is an insurance angle, Mr. Collings.

THE CHAIRMAN: I would like to ask you a question, Mr. Smith. Mr. Gordon might give a brief outline of merging the offices of the Chief Engineer and the Municipal Engineer, all under one cover, so to speak.

Mr. Smith, have you seen that report?

MR. SMITH: Yes.

THE CHAIRMAN: If Mr. Gordon will give a

brief outline, then I would like your comment, Mr. Smith.

MR. GORDON: Our recommendation was that the municipal organization, the Divisional Engineer, and the Municipal Engineer should be merged into one, and there should be one representative of the Department of Highways in this Division or district, who would have on his staff, an expert dealing with municipal matters.

Our reason for that recommendation was two-fold. The first thought we had in mind was that the two things are so closely related at many points, that they needed to be co-ordinated, such as planning new highways, or problems of the municipality which must be taken into consideration. If that work could be co-ordinated, and the two were under one roof, we thought it would improve the co-ordination.

The second point we had in mind was the difficulty of staffing the municipal-engineering end. The tendency of the younger engineers is that they want to do engineering work, but they want to get into the construction end and gain construction experience. That is true throughout, no doubt, and I think they have found in the last couple of years it is difficult to get the younger engineers to go into the municipal

engineering end, because once they get in, it is difficult to get back.

If a young lad is appointed a municipal engineer at a comparatively early age, the chances for his promotion are to a reasonable degree, restricted, because the municipal engineering branch has not as many advantages as the other side of the Department of Highways.

I think that briefly summarizes it.

THE CHAIRMAN: Mr. Smith, if my information is correct, you have had the benefit of occupying both the offices of District Engineer and Municipal Engineer?

MR. SMITH: That is right.

THE CHAIRMAN: You can look at this matter then from both viewpoints, and I think it would be helpful to get your viewpoint on that very practical question as to whether it would be an advantage or otherwise.

MR. SMITH: In 1933 and 1934, I was appointed Division Engineer for Fort William. That was in the northern development. They were handling both the municipal and King's Highways at that time.

After I was in the position for a short while, I began to realize the problems these townships were having, and, as a result, I gave a great deal of my time and thought to trying ^{to} straighten them out, and get them organized, and working in a more efficient manner.

We had quite a bit of help at that time.

There were one or two other engineers working for us who were interested in this work.

But, as time went on -- after the Highways Department took over the northern development -- I found the Highway engineers were not very concerned with the municipal end, and the Departmental officials in Toronto.

When the Highways took over, at the beginning, the municipal roads did not come into the picture for a while, and it was sometime before Mr. Marshall and his branch came into the municipal roads end of it.

THE CHAIRMAN: Who was Mr. Marshall?

MR. SMITH: The late Mr. Marshall was the Chief Engineer for Roads for a considerable time.

MR. OLIVER: I understand he died about three years ago.

MR. SMITH: Yes. He was very capable, and built up a very fine organization.

I found I could not get much satisfaction out of the Highways Department. I might as well tell you that now -- they would give me a grant of, say, \$200,000 or \$300,000 to spend for maintenance, and I could do more or less as I pleased in the district. I would take money out of that \$200,000 or \$300,000

to help out the townships. Nobody said anything about it. They were quite satisfied. Instead of having special funds for the townships, I had to take it out of the highway funds.

That went on for a number of years, and eventually the municipal roads came into the picture, and I handled both organizations. That was the first time I had contact with Mr. Marshall.

I found that dealing with different townships was more or less of a personal matter. You have to know the people and the Council, and you have to go out and talk to them, or I would call them in and give advice on bridge construction, and so forth. You had to be an engineer and a diplomat to do those jobs.

There was really no connection between the Highways Department and the municipal road work. I think we have done a fairly good job in this district.

THE CHAIRMAN: Do you report directly to Toronto, or deal directly with Toronto?

MR. SMITH: Yes.

THE CHAIRMAN: I think Mr. Gordon's idea was that it would be an improvement by having closer relationship at home.

MR. MAPLEDORAM: You did not, up until recently, have any dealings with the Chief Engineer of

the Highways Department?

MR. SMITH: At the present time, no.

MR. MAPLEDORAM: I understand --

MR. SMITH: We think the Chief Engineer should have on his staff, a senior person --

MR. MAPLEDORAM: I do not mean that. In the present Highway changes which were announced here about two weeks ago, the municipal road branch is responsible to the hon. Minister of Highways? Is that right or wrong?

MR. OLIVER: No, that is not correct.

MR. WREN: That is my impression.

THE CHAIRMAN: That should actually be in force?

MR. MAPLEDORAM: That is right. The District Engineer is over the Municipal Engineer.

MR. GORDON: And I understand Mr. Ludgate, the Municipal Engineer, has recently taken over?

MR. SMITH: Mr. Ludgate reports directly to the Chief Engineer.

MR. OLIVER: Do the changes which have recently been made in the Highways Department carry out in detail, or in full, the recommendations you have explained to us this afternoon?

MR. GORDON: They have gone part way in carrying them out.

MR. OLIVER: Would you explain that, Mr. Gordon?

MR. GORDON: Yes. There were really two recommendations at Head Office, which would merge the organization here, which resulted in the Municipal Engineer reporting to the Chief Engineer.

THE CHAIRMAN: That is now in force?

MR. GORDON: Yes. The second was to merge the organization of Mr. Smith, with Mr. Cash's organization.

The second one has not been carried out, and I understand it is not proposed to carry it out at the present time.

MR. MAPLEDORAM: That is exactly the position.

MR. SMITH: I understand that is the way it operates.

MR. MAPLEDORAM: You report to Mr. Ludgate, who in turn reports to the Chief Engineer, Mr. Clarke, while in the past, you just referred it to Mr. McGinnis, but reported directly to the Deputy Minister.

MR. BECKETT, Q.C.: Mr. Smith, are you reporting that way now?

MR. SMITH: We have a letter in the office to address all communications to Mr. Ludgate.

MR. GORDON: From Mr. Smith's point of view, it does not make any difference, because he reports directly to Toronto.

MR. COLLINGS: Have you experienced any difficulty in securing equipment. If your offices were merged together, would you see any improvement in securing the equipment to carry out your work?

MR. SMITH: No. There is a certain amount of equipment, we will call "pool" equipment, which is available to our office any time we require it.

Beside that, any other equipment on the highway if not being used, is available to the townships. It works out very satisfactorily.

MR. GORDON: At the moment, Mr. Smith, that is entirely dependent upon your present good relations with the other side?

MR. SMITH: They always were, I think.

THE CHAIRMAN: Mr. Gordon, what do you mean by the "other side"?

MR. GORDON: What he would call the "Department of Highways".

MR. SMITH: At times, the Department of Highways comes and works for us. It is easier at times to get the Highways Department to go in and do the work.

MR. GORDON: If you cannot get along with Mr. Cash, you have to go to Toronto?

MR. SMITH: To make a success of a municipal road, the man who is in charge must like the work, and

must like people, and get along with them. Otherwise, he would be "in Dutch" right away. It is a public-relations job.

MR. WREN: But there would still be a senior engineer, under the Division Engineer, whose duties would be entirely municipal?

MR. SMITH: Yes. That would be under the heading of "Highways", which makes all the difference in the world.

MR. COLLINGS: Supposing there was a problem in the area, if you were merged, do you think you could not get a decision more quickly by a conference between yourself and the Division Engineer, and settle it there, instead of having to go down to Toronto?

MR. JANES: They could still do that.

MR. SMITH: Personally, I do not think it would ever work out satisfactorily. I think the Municipal Road Branch was built up by the late Mr. Marshall. He was a very clever man, I think, and did a wonderful job. I think anyone who knew him will agree with me -- even the hon. Minister. The hon. Minister was a great friend of Mr. Marshall's, and the present hon. Minister has done more for our townships, working with Mr. Marshall, than any Minister we ever had in the government. The Statute Labour Act has

been revised and greatly improved, and also the organized townships. I get far more now than I did in the past.

I think the hon. Minister told us that when he was 28, he was a councillor in a township, and had been in road work all his life, so he took a greater interest in the Municipal Road Branch, and Mr. Marshall was a very great friend of his, and they have made many improvements.

THE CHAIRMAN: That is hon. Mr. Doucett?

MR. SMITH: Yes, hon. Mr. Doucett. I think the Roads Branch is as fine an organization as can be built up.

MR. MAPLEDORAM: I think everybody will agree with you, as far as the Municipal Roads Branch is concerned.

MR. SMITH: If it was a sort of ragged organization, it might be a good idea to make some changes, but at the present time it is running along in a very efficient manner. There is no friction at all, and they are doing a good job. So I would give credit for the present set-up to the Department, and also to the hon. Minister.

MR. MAPLEDORAM: I would like to say that what Mr. Smith has said is fundamental. We have had

no friction in the Municipal Road Branch.

I do not know whether you understand the duties of a Municipal Engineer, but Mr. Smith has -- I do not know how many organized territories --

MR. SMITH: There were 19 Statute Labour Townships, and we have 3 more on the way to being organized, within the last few days.

MR. MAPLEDORAM: And how many organized?

MR. SMITH: 9 organized, and some of the organized take in four counties, and we have about 6 Improvement districts, such as Red Lake, Terrace Bay, Marathon, and so on.

Then we have the two cities of Port Arthur and Fort William, and the town of Geraldton.

I do not know whether you would like to see just how these are operated. It might be of interest to know how the thing is set up.

In a Statute Labour Township -- which is our big problem -- the men had to go out and perform one day's work for every 50 acres. If they had 51 acres, they had to do two days' work.

From the first, I was not very favourable to that, but eventually I got it going on a cash basis. Now they collect the cash. For five acres, they collect \$4.00. The Board can set the rate at \$4.00 or \$5.00, but

they cannot go over the Department rate.

They collect the money through taxes, and the government meets them 50/50 on their taxes. If a township's assessment is less than \$275,000, the Department pays for all bridges and culverts.

It was pointed out there is Crown Land in an organized township, upon which no taxes are paid. Now, if a road touches the land, the government allows the township the same rate.

Beside that, the government also allows them a special grant which varies; it may run from \$5,000 down to \$500, depending on the size of the township, and there is a record kept showing how that money is spend under our supervision.

If we think the township has not capable men in their organization, we will take this money away and spend it ourselves, and send in the equipment. If we think the township man is a responsible man, we allow him to spend this money, and he can have the use of the equipment, or he can rent equipment.

Beside that, in the organized municipalities, they are about the same as in the east. They have a Council, and the government pays them 15 percent, or in some cases, as high as 65 percent. They spend their money over the year, and at the end of August, they can

get a supplemental payment on the work up to that time. There is 5 percent. taken off the total.

At the end of the year, they submit a statement, and the government pays them 50 percent. of the money they have spent.

Later on, an auditor goes over these, and checks everything, to see that everything is done the way it should be. And they sure check it.

MR. WREN: I have had that experience. The auditor from here also checks Kenora.

MR. SMITH: Beside this, some years ago --

THE CHAIRMAN: The auditor has the definite responsibility of making sure that the expenditures are actually vouched for?

MR. SMITH: That is right. Let us say the township buys 5,000 feet of land; they must get a letter from me before the money is spent, authorizing the expenditure. When the auditor goes in, if they have not the letter authorizing that particular expenditure, he will not pass it. It is a very close organization. I do not see how you can improve on it very much.

THE CHAIRMAN: I think that is a very important factor, and a further reason why there is no problem in the Department handling requisitions.

You have a much better audit system than some

of the others. You may have a better audit system in the Municipal Branch than in the regular Department.

MR. MAPLEDORAM: That brings us back to decentralization. The auditor who is working within a municipality, should live in the district, rather than come in from Toronto.

MR. GORDON: There is a slight difference, because these auditors are auditing the townships, whereas the auditors from Toronto are auditing the Department of Highways. The theory is you have your auditor going from one point to another.

MR. MAPLEDORAM: If they had a man working in the Division, he would have a better system.

MR. WREN: Yes, and if, for instance, you put in 30 steel culverts, they know where they are.

MR. JANES: I think, from what the young man told us yesterday, they are working along the same lines.

MR. SMITH: Yes.

THE CHAIRMAN: I think that is very incidental, perhaps. Thank you, Mr. Smith.

MR. SMITH: For a place like Terrace Bay, we pay all their costs. In the city of Fort William and the city of Port Arthur, they pay the whole cost.

MR. MAPLEDORAM: Do you check very closely with the Department of Public Works in the city?

MR. SMITH: They have to submit a program to our office. They cannot pave a street until they have a letter from our office, saying the work is necessary. If they do not, - - it happened in Fort William, and the auditor would not allow it to go through, and they lost a couple of thousand dollars.

THE CHAIRMAN: Just as a suggestion on that; is there the same auditor for the other work as well?

MR. SMITH: They bring their books in every year, and I check them.

MR. MAPLEDORAM: The time sheets have to come to you, too?

MR. SMITH: Yes. Every five or six months, there will be a man coming around to look into it.

MR. MAPLEDORAM: Before you close the sitting, I want to tell you that Mr. Smith makes a personal inspection of every township every spring and fall. The work is planned in the spring, and he goes back in the fall and looks at it. You can imagine he is a busy man. He makes inspections in the spring, and follows them up in the fall.

THE CHAIRMAN: I notice he nods his head in agreement with what you say.

Gentlemen, that concludes our questioning of Mr. Smith on this point.

MR. WREN: I think, Mr. Chairman, from what has been said, that the functions of the auditor of the Municipal Roads Branch might well be studied, with a view to seeing if they can be enlarged to set up the same kind of system on highway construction and maintenance.

I agree with Mr. Mapledoram that the quicker we can get an internal auditor in the Highway Division itself, the better it will be.

Mr. Wardrope has handed me a note, which might be of some convenience to the party concerned. Mr. Jacques Stirling would like to present a brief at any time suitable to us in Toronto on Wednesday, and he would like us to set a time, so he would know approximately when he could be heard on Wednesday.

MR. COLLINGS: We might take him on first in the morning.

THE CHAIRMAN: That will probably be at ten o'clock on Wednesday.

MR. FORESHAW is here. I do not know whether there are any other questions to ask of him.

Mr. Cash, you will see that we get the forms from the accountant, which were mentioned yesterday?

MR. MAPLEDORAM: The certificates.

MR. CASH: The payment certificates?

THE CHAIRMAN: Yes.

MR. CASH: I will have that for you. We will have that before your Toronto meetings are over.

THE CHAIRMAN: We meet in Toronto on Monday at 10:30. I do not know whether, at this moment, anything would be gained by having Mr. Gordon, being here, spend a half an hour with Mr. Cash at this time, and perhaps we could carry on the questions later.

Are there any points we might clear up at this time? We have practically the full Committee gathered here.

I proposed to deal with Mr. Gordon's report in some detail. I think we have reached that point. There will be some further evidence on Monday, if you prefer to wait until it is in. .

MR. OLIVER: For my part, I would certainly prefer to wait until Monday. I think it is better to have it all in one piece.

THE CHAIRMAN: With regard to Mr. Gordon's report; my suggestion is to deal with a number of these recommendations, as he has given the background and, to some extent in his report, the reasoning behind them.

I suggest that perhaps we might find time, in some way or other, to read this report over, during the week-end, and have it clearly in mind, because I

think there is a great deal in it about which we will want to speak. It is our hope we can clear away some of these things during the hearings next week.

MR. BECKETT, Q.C.: We start on Monday?

THE CHAIRMAN: Yes. There are a number of briefs. There will be the contractors, the Professional Engineers, a member of the C.P.R. Engineering staff, and a memorandum, which I understand is in my office now from the British authorities, and I think we will have a pretty full day on Monday, dealing with briefs.

Then there will be still the remaining further evidence from some members of the Head Office staff, to follow up what we are lacking here.

MR. COLLINGS: There will be an official of the Department there, if we want to ask for certain information on any point?

THE CHAIRMAN: Yes.

MR. COLLINGS: Is there anything in Fort William Mr. Gordon might like to point out to us while we are here?

MR. GORDON: I do not think there is anything which cannot be dealt with in Toronto.

THE CHAIRMAN: We have conducted hearings over the past eleven days, and I can assure you there will be plenty for a three-day sitting in Toronto, and I

hope the Committee will join with me in putting in as much time as may be necessary next week. That will bring us to the end of June, and I would like to clear up as much as we can, so we may enjoy some holidays following those hearings.

There are some witnesses whom I hope will be available during those three days. I have in mind some questions I would like to ask myself, and no doubt there will be others who will desire to ask further questions.

I think we have been very well rewarded by the effort we have made to cover as much ground as we have this month, and I would like to express my appreciation for the co-operation I have had from all members of the Committee, for bringing in an exchange of views.

MR. COLLINGS: Mr. Chairman, I move we adjourn.

MR. JANES: I second that.

THE CHAIRMAN: The motion is to adjourn.

What is your pleasure?

(Motion agreed to unanimously).

THE CHAIRMAN: The meeting stands adjourned to reconvene in Toronto.

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---Whereupon the further proceedings of this Committee adjourned, to reconvene in the city of Toronto, on Monday, June 28th, 1954, at 10:30 o'clock in the forenoon.

- - - - -



P R O C E E D I N G S

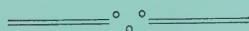
of the

**Select Committee of the Ontario
Legislature appointed to enquire
into matters concerning certain
Divisions of the Department of
Highways.**

MR. A. KELSO ROBERTS, Q.C., CHAIRMAN

PRESIDING.

MR. V. J. JOHNSON, SECRETARY.



VOLUME XXII



Toronto, Ontario.

Monday, June 28th, 1954.



T W E N T Y - S E C O N D D A Y

Toronto, Ontario.
Monday, June 28th, 1954.
10:30 o'clock, a.m.

- - - - -

The further proceedings of this Committee
reconvened pursuant to adjournment.

PRESENT:

Mr. A. Kelso Roberts, Q.C., Chairman,
Presiding.

Messrs. Hon. Dana Porter, Q.C.,

Collings

Beckett, Q.C.

Mapledoram

Herbert \

Dent

Janes

Oliver

Wren

Mr. R.L. MacTavish, Q.C., Committee Counsel

Mr. V. J. Johnson, Secretary.

APPEARANCES:

Mr. Donald Gordon, Management Consultant

Mr. Don McQuigge, President, Ontario Road
Builders' Association

Mr. D. H. Storm, Vice-President, Road
Builders

Mr. W. M. Philpott, General Manager,
Road Builders' Association

Mr. Beverley Mathews, Q.C., Counsel,
Road Builders' Association

Mr. Harry Cotnam, F.C.A., Provincial Auditor,
Province of Ontario

Mr. George Spence, Assistant Auditor,
Province of Ontario

Col. J. M. Muir, Professional Engineers'
Association

Mr. D. Jennings, Q.C., for the Standard Paving Co.,

Mr. Peter Wright, Q.C., for the Hon. Mr. Winters,
Minister of Public Works,
Ottawa

Mr. M. A. Elson, Deputy Minister,
Department of Highways

Mr. W. A. Clarke, Assistant Chief Engineer,
Department of Highways

Mr. C. A. Robbins, Chief Engineer of Maintenance,
Department of Highways

Mr. J. L. Zoller, Financial Comptroller,
Department of Highways

Mr. J. D. Millar, Deputy Minister,
Department of Public Works

Mr. H. A. Tregaskes, Department of Highways,
(Trans-Canada Highway)

Mr. Fred Duncan, for the Liberal Opposition

- - - - -

THE CHAIRMAN: Gentlemen, I will call the
meeting to order.

This meeting was called for 10:30 this morning.
The Committee has just returned from quite an extensive
trip. I will not review that at the present time.

Have we any correspondence which should be laid before the Committee at this time?

MR. JOHNSON (Secretary): No, Mr. Chairman, there is no correspondence at the moment.

THE CHAIRMAN: We had on the agenda for the meeting this morning the brief which was asked for some time ago,

Mr. D. E. McQuigge, President of the Ontario Road Builders' Association, spoke briefly before we set out on our western trip. He is here this morning with Mr. Beverley Mathews, Q.C., and Mr. Storms. They have filed a number of copies of this brief which may be distributed to all the membe

HON. MR. PORTER: Mr. Chairman, before we proceed, may I interject for a moment on another matter entirely.

I understand some difficulty arose at Fort William with respect to the lack of attendance of some officials of the Department of Highways, whose attendance had been requested. I hope there will not be any misunderstanding about this. I must take full responsibility for that, myself. It was not that the Highway officials had any deliberate intention of not offering their services at that meeting.

I may just explain the situation as it developed here. A notice was received by -- I think it was the Deputy Minister of Highways -- requesting certain documents to be produced before the Committee at Fort William, and it was quite apparent that with the production of any documents it

would be necessary to have some witness to produce them and explain them, and answer any questions in connection with them, otherwise, it might cause a very incomplete picture of what they may be intended to show. In order to make the necessary explanations, some of the senior officials of the Department would have had to attend.

Gentlemen, the notice was very short. The senior officials of the Department, I was informed, were fully engaged in very important work in the Highways Department. You all appreciate that there has been a reorganization there. The Deputy Minister has been in office for a comparatively short time, and I do not know whether the Committee appreciates the staggering amount of work --

THE CHAIRMAN: They appreciate this job, I think.

HON. MR. PORTER: -- which is underway.

I knew this Committee was meeting here on Monday -- today -- and I was sure if the Committee was aware of the tremendous inconvenience to the Department officials, they would surely not expect them to attend at Fort William on this short notice, and I took upon myself the responsibility of advising those gentlemen that they might wait until the Committee returned to Toronto.

MR. WREN: Was the Department not aware that this Committee was going to Fort William?

HON. MR. PORTER: I was never informed the attendance of these gentlemen was arranged.

THE CHAIRMAN: I think we need not get into a controversy about this.

HON. MR. PORTER: It was not their fault they did not go. It was my fault.

THE CHAIRMAN: It was somebody's fault, was it not?

MR. OLIVER: I do not want to get into the controversy, but I think the Department of Highways should have known there was no official in Fort William who was in a position to answer pertinent questions relative to various contracts, and when the Committee was in Fort William, at the scene of these alleged irregularities, to look over the roads, and go through that area, it seems to me the Department should have made sure that there was personnel at Fort William from the Department who could amplify and tell the Committee of the various phases of road construction, the unit costs, and all that pertains to a contract.

I think even the Hon. Attorney-General will appreciate this, that when the Committee was up there we were faced with this dilemma, and we wanted to interrogate these witnesses, and get the picture before us, but we found, time after time, and time and again, that when we asked a question, it was simply a blank answer, and that no one up there was qualified to speak with authority, and from experience in respect to these matters.

Quite frankly, I thought -- and I still do -- that the Committee was given the "run around", or whatever term you like to use in connection therewith.

I say again that the Department should have made available those from their Department who could have appeared there, who were qualified to answer questions asked by members of the Committee.

THE CHAIRMAN: I think that my remarks are on the record. I do not want to get dragged into this again, and I stand by what I said at Fort William, here this morning.

HON. MR. PORTER: As far as the attendance of those parties, I want to make it absolutely clear that I take all responsibility under the circumstances. As a matter of fact, my recollection is that at the last meeting of this Committee here, it was decided there would be no witnesses --

MR. WREN: That procedure was changed.

THE CHAIRMAN: The Hon. Attorney-General is here in his capacity as a private member of this Committee. If he had been with us, I am sure he would have joined with us in the unanimous request made of me that I ask these people to be present in Fort William.

HON. MR. PORTER: Well, I could not find it possible to be with the Committee.

THE CHAIRMAN: The Committee instructed me to make the request, and I made it, and I suggest that we leave it

like that. If the Hon. Attorney-General had been present, he would have known --

HON. MR. PORTER: I could not find it possible to be present, as I said.

THE CHAIRMAN: Then you cannot come in and upset our meeting --

HON. MR. PORTER: I am not upsetting the meeting at all. There was a misconception on the part of some of the officials of the Highway Department. I am explaining what happened. If I am at fault, I am prepared to take all the blame which may be attached to it.

THE CHAIRMAN: I did not raise it this morning. The Hon. Attorney-General raised it himself.

HON. MR. PORTER: I noticed by reading the papers that the question was raised in Fort William, and it is quite proper for me to explain what happened because I do not want any suggestion to be made that these officials were not co-operating with this Committee.

THE CHAIRMAN: I would say, as far as the Deputy Minister is concerned, he has done everything possible to co-operate. I think all the trouble would have been avoided if Mr. Tregaskas had been there. Let us leave it at that.

MR. OLIVER: Lost bridges; lost witnesses.

MR. COLLINGS: I think we need several bridges up there.

THE CHAIRMAN: Have all members of the Committee a copy of this brief of the Ontario Road Builders' Association? I think the press also have copies.

I am going to ask, Gentlemen, that Mr. McQuigge be given the undivided attention of this Committee for the reading of this report. My suggestion is we allow him to read it through, just as we did in the case of Mr. Duncan Gordon, and then, having heard it through, we can come back to parts of it and deal with them by way of questioning, if that is desired.

I think there are bound to be questions, and I think we will get it in better form before the public and the Committee, if it is read in its entirety, and then questions are asked afterwards.

I will ask Mr. McQuigge to present his brief.

DONALD E. McQUIGGE

President, Ontario Road Builders' Association, having been previously heard, now recalled, and having been already sworn, continues his deposition as follows:

BY THE CHAIRMAN:

Q Mr. McQuigge, will you proceed now with the reading of your brief.

A Mr. Chairman, I would appreciate, if I am reading too quickly, or too slowly, or too loud,, or not loud enough, that I be informed.

This brief, Gentlemen, is presented to Mr. A. Kelso Roberts, Q.C., Chairman, and to the members of the Select Committee of the Ontario Legislature appointed to inquire into certain matters concerning the Department of Highways.

The letter transmitting the brief, is as follows:

"Dear Sirs:

This brief is submitted in accordance with your request of May 31st, 1954.

We are pleased to present our views, comments and recommendations respecting the practicability of certain measures which have been suggested for a more effective relationship between the Department of Highways and the road builders of Ontario.

We have studied all references relevant to the road building industry in the following:

1. J.D. Woods and Gordon Report,
submitted May 14th, 1954.
2. Interim Report of The Provincial Auditors
To The Select Committee of The Legislature
Appointed To Enquire Into Matters Concerning
Certain Divisions Of The Department of High-
ways, submitted May 14th, 1954.
3. The proceedings of your Committee as submitted
in volumes one to four of the transcription.

In addition thereto, we have drawn upon the researches of the Ontario Road Builders' Association and the practical experience of its members in their contractual relations with Federal, Provincial, State, County, Township and Municipal Governments in Canada, the United States and Overseas, as well as with many private owners.

The contents of this brief have been reviewed and approved for presentation to your Committee by the Board of Directors of The Ontario Road Builders' Association."

I should like to interject, Mr. Chairman and Gentlemen, that inadvertently the word "unanimously" was omitted from this letter. It should have been inserted after the word "approved" at the end of the third line from the bottom of page 2. It should have read:

"The contents of this brief have been reviewed and approved unanimously for presentation to your Committee" and so forth.

THE CHAIRMAN: The word "unanimously" can be inserted after the word "approved" in the third line from the bottom of page 2.

THE WITNESS: The brief is as follows:

EXHIBIT No. 52: Brief, Ontario Road Builders' Association, as produced and read by the Witness, McQuigge.

--- By direction of the Chairman, the following excerpts from the brief are incorporated in and made a part of this transcript, in words and figures as follows, to wit:

" Up to this point such matters as planning, purchase of property, conditions relative to tendering, and the all important matter of preliminary engineering have been discussed, each in its own merits, except that more will be said with regard to the preliminary engineering. All of these matters are relatively easy to correct. However, the influence of these factors individually and cumulatively upon the attitude of the Department of Highways has not been brought out in any report or in any proceedings before the Select Committee of The Legislature. They have, in varying degrees, influenced the attitude of the Department of Highways in the matter of calling for tenders and in the method or practice of dealing with, and making final settlement with contractors who have performed work for the Department.

Over many years, many contracts have been called where there has been practically no preliminary engineering line and the grades were not established.

It was thus impossible for the contractors to estimate the earth and rock quantities, to locate and test the gravel and materials or types of materials to be moved or to be used; in some cases the land had not even been bought, and frequently the original classification or quality or intended purpose of the project has been changed after the contract was awarded. These changes were particularly pronounced where the whole or portions of the road under construction was incorporated in the Trans-Canada Highway, and the work thus became subject to the very different specifications and conditions required by the Federal authorities. On many projects the conditions just set forth resulted in any tender being nothing more than a token or guess on the part of the contractor, with the hope that the unit prices would in some way fit into the facts as they were eventually found to be. The contractor tenders against other tenderors who have no better knowledge than he, and who are also guessing and hoping as to what will be the outcome. It is true that no contractor is required to tender under these conditions, but all contractors need work and from their prior experience with the Department, each contractor felt that if the work were awarded to him, and decently performed by him, he

would not suffer any financial loss.

These conditions did not apply to all projects, There were some where the engineering was complete and satisfactory, and where the work was carried out as originally intended and completed as planned. Between the project which was not engineered at all and the projects which were completely engineered, there were many degrees of preparation or lack of preparation.

How this condition came about over the many years since the original passing of the Highway Improvement Act has no place in this brief, but the conditions, as stated, existed over many years and still exist.

There have been many jobs over the years in which the conditions, as known or guessed at at the time of tendering, bore little resemblance to those conditions found during the progress of the work and on completion thereof. The contract entered into, pursuant to the tender, probably provided for the method of handling many tasks to be performed, but it bore little resemblance to the facts of line, grade, quantities, haul, profiles and other matters encountered in the performance of the work. On many contracts, the unit prices of contract entered into before the facts had been established, did not in

any way apply to the work actually performed; and would probably bear no resemblance to the contractor's actual costs. Accordingly, on many contracts, the letter of the contract would have to be departed from and a settlement between the contractor and the Department made in the spirit of the contract.

The Contractor was placed in the position of having to accept a settlement which the Department felt would comply with the spirit of contract even though it was not in strict accordance with the letter thereof.

The Department was placed in the position of having to find some means of paying the contractor by adjustments within the contract, because work had been awarded in many jobs where the circumstances and essentials of the original contract in no way fitted the facts of the completed work. This has existed in not only the letter, but in the spirit of a contract. Instead of re-negotiating the contract or stopping the work, means were found and adjusted to the terms of the contract to pay the contractor the cost of the work done. This adjusting, or mutually helping out the Department for its inability to present the true facts before receiving tenders, and for paying the contractor the cost of the work done, created an understanding, a practice, or a spirit of mutual help which has existed between the Department and the

contractor for years.

During recent years, the number of contractors tendering for Highway work has greatly increased, due to many conditions. Competition has become very keen; increase of plant, plant purchased on credit, plant rented for a particular job and unlimited credit have resulted in contractors bidding to get the work, come what may, that is, without regard to the relation of the bidding to the cost of the work. This, coupled with the Department's seemingly avid desire to award work at the lowest unit prices on the Continent, without regard to the ultimate cost to the Department, has brought about conditions that are not good.

Work awarded at ridiculous prices -- and that fact known to both parties -- and the work ultimately paid for at cost or little better, does not conform to the true spirit of tendering. It is this circumstance of the untidy method of mutual helping out -- Government to contractor and contractor to Government -- that is so unsatisfactory to all concerned. A business basis of tendering and carrying out the work, to the satisfaction of all concerned, is within the power of the Government to establish.

There is very little wrong which cannot be corrected. The proper facilities, personnel and organization to ensure adequate pre-engineering will cure one-half of

the problem. Pre-determination of a contractor's fitness to bid, based on prior experience, character, personnel, financial and equipment resources, will correct the other half of the problem. Both must be linked together."

The following interpolations were interposed into the reading of the brief:

On page 14,, the third paragraph reads:

" How this condition came about over the many years since the original passing of The Highway Improvement Act has no place in this brief, but the conditions, as stated, existed over many years, and still exist."

Then the following interpolation:

BY THE CHAIRMAN:

Q Do you mean they exist at this very moment?

A Yes, there have been recent changes.

Q You are not changing the practice in the letting of these contracts? It is still continuing at this moment?

A This has been in preparation for a month, Mr. Chairman, and there have been many changes which have taken place during that interval."

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On page 14, the second paragraph reads as follows:

" The contractor was placed in the position of having to accept a settlement which the Department felt would comply with the spirit of the contract, even though it was not in strict accordance with the letter thereof."

Then the following interpellation:

"MR. JANES: Mr. Chairman, are we going through the brief entirely, before we ask any questions?

THE CHAIRMAN: You were a little late getting in. I know your train was late. I had suggested we go right through the brief, hear it in its entirety, and then come back for questioning.

MR. JANES: Very well.

Page 25 paragraph 2 reads as follows:

"Performance bond premiums have been cut in half since the introduction of pre-qualification.

They have been reduced from 1.5% to 0.75%" --

Then the following interpellation:

"BY THE CHAIRMAN:

Q What is the rate here?

A I believe it is .75% today.

Q Here?

A Yes."

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On page 26, the fourth paragraph reads as follows:

" A representative cross section of initially small-sized road contractors was analyzed, as detailed in the appendix herewith."

Then the following interpellation:

" THE CHAIRMAN: Would you like to go to the appendix right at that point? Appendix 1, is it not?

A Yes, Mr. Chairman.

THE CHAIRMAN: I think it might be well to take a look at it. Apparently 30,000 was the base rate set; is that right?

A That is right.

" Q That is after multiplying by these factors?

A Yes. There was a deduction for lack of experience, and the other factors which could be applied. That indicates the growth in each contractor's case.

In 1944, in the case of the Finch Eva Company, the initial pre-qualification rating was \$30,000, and the current pre-qualification rating is \$1,000,000.

THE CHAIRMAN: Perhaps it would not be necessary to read all of this. The Committee may read it.

HON. MR. PORTER: Very profitable business.

THE WITNESS: I am informed these were picked out of a long line of contractors to show how the small contractors of \$30,000, were able to grow.

BY HON. MR. PORTER:

Q Did any of them go the opposite way?

A There was one who maintained the status quo. That was the McDowell Construction Company. In 1952 it was \$30,000, and it is still rated at that figure."

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On page 27, the first three lines of the second paragraph read as follows:

"Throughout the years, the Minister of Highways in Ontario has been placed in a difficult position, with no alternative other than to award the contract to the lowest bidder."

Then the following interpellation:

BY MR. BECKETT, Q.C.: Mr. Chairman, may I interrupt?

THE CHAIRMAN: Certainly, Mr. Beckett.

MR. BECKETT, Q.C.: I think there are two with the rate unchanged.

MR. WREN: Yes, on page two of the Appendix.

MR. BECKETT, Q.C.: Swarm, on page two.

HON. MR. PORTER: One went from \$30,000 to \$20,000,000, which would seem to me to be a rather considerable growth.

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Page 27, the last sentence in the fourth paragraph reads as follows:

" The pre-qualification Law in Michigan was evolved out of the co-operative efforts of its highway officials and representatives of the road building industry. We offer similar co-operation here."

Then the following interpellation:

THE WITNESS: If I may interrupt, Mr. Chairman. Why it was left out, I do not know, but it was our wish to suggest that Mr. H. S. Coons be invited to come over and explain "pre-qualification" more fully.

THE CHAIRMAN: He has done it very well, together with what we have.

THE WITNESS: It was the suggestion by some members that it be done, but the sentence was apparently omitted.

- - - - -

Page 29, paragraph numbered "5", reads as follows:

" A standard rental schedule of equipment should be adopted, such as now established and made available by Ontario Road Builders' Association. This schedule is a standard now being used by our members and by many municipalities."

Then the following interpellation:

THE WITNESS: If I may put this schedule in,

Mr. Chairman?

THE CHAIRMAN: Yes. It may be marked as

Exhibit 52 (a).

EXHIBIT 52(a) A Schedule of Rental
Rates for Constructio
Equipment as produced
and Identified by the
Witness, McQuigge.

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Page 31, the paragraph numbered "13", reads as follows:

" We suggest that the Department review
the formula for payment of force account work."

Then the following interpellation:

BY MR. WREN:

Q What do you mean by that?

A "Force account work" is some small bits of work
which are not contemplated nor covered in the contract,
but, nevertheless have to be done, and the Department
must pay the contractor, probably for equipment used,
and so forth.

Q It is, in reality, just another work order?

A Yes.

- - - - -

Page 32, in the centre of the page, the tabu-
lation reads as follows:

" Highway Department Co-operative Committee

" Pre-qualification Committee

" Specifications Committee

" Legislative Committee

" Policy and Planning Committee "

Then the following interpellations:

BY THE CHAIRMAN:

Q There are no such inter-relationship organizations?

A In the past, we have had a few committees, such as the Specifications Committee, which have been called in occasionally, but not with any degree of regularity, and in recent years, it has tapered off.

However, the Ontario Road Builders have committees set up, and they report to the members and Directors such information which they consider is relevant.

Q To your own members?

A Yes.

Q What about your approach to the Department of Highways?

A We try to contact the Department.

Q You are suggesting now a joint committee be created?

A That is right.

Q You never had such a thing in the past?

A We have had a few committees.

Q Joint Committees?

A Yes. The Ontario Road Builders would have a Specifications Committee. They would contact the appropriate authority in the Department of Highways, and he would suggest a meeting in his office to discuss the problem.

In the last few years, it has not been very active.

Q Perhaps I read that wrongly. These are committees within your Association?

A These are the committees which exist in the State of Michigan.

BY HON. MR. PORTER:

Q Committees of the contractors themselves?

A Yes.

THE CHAIRMAN: I misunderstood that. I thought it was a joint committee.

A This was a joint committee, in the State of Michigan.

Q Between the State authorities --

A And the Michigan road builders.

Q You are suggesting the same thing here?

A A similar practice, yes.

Now that it has been mentioned, the Michigan road builders sit in on these meetings, but they have no final voice. However, we found the Department in Michigan welcomed them, and invited the Michigan road

builders to come and talk over their problems, and as a result there is a very co-operative picture, all the way through. Our informants, the contractors and members of the Association, said that they found it a most effective practice, and it was to the mutual advantage of the Department, and the road builders.

BY MR. JANES:

Q You also say they have been doing that here to a certain extent?

A In a limited fashion.

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--- The balance of the brief, from the middle of page 31, to the end, was read by the Witness, Mr. McQuigge.

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THE CHAIRMAN: Thank you Mr. McQuigge.

BY THE CHAIRMAN:

Q Could you tell us the names of the executives you mentioned, on the second page, -- you said it has the unanimous approval of your Committee?

A Of the Board of Directors?

Q Yes.

A The Board of Directors are listed on page 1, opposite the index, to the left.

Q Just along the margin of the letter?

A Yes.

THE CHAIRMAN: Perhaps these names should be put on the record. They are as follows:

President: D. T. McQuigge
Peacock & McQuigge Limited
Toronto

1st Vice-President: D. H. Storms
Storms Contracting Co. Limited
Toronto

2nd Vice-President: G. J. McNamara
McNamara Construction Co.
Toronto

General Manager and Secretary-Treasurer:
W. M. Philpott

Directors:

G. J. McNamara
McNamara Construction Co. Limited
Toronto

T. D. Miller
Miller Paving Limited
Toronto

J. W. Rayner
Rayner & Armstrong Limited
Toronto

R. J. Merlo
Sterling Construction Co. Limited
Windsor

J. B. Uren
Uren Construction Limited
Orillia

C. Henninger
M. G. Henninger Limited
Smiths Falls

W. W. King
King Paving Company Limited
Oakville

D. T. McQuigge
Peacock & McQuigge Limited
Toronto

D. H. Storms
Storms Contracting Co. Limited
Toronto

J. Tomlinson
Tomlinson Brothers Limited
Toronto

F. T. Briggs
Curran & Briggs Limited
Toronto

W. L. Dobbin
The Grant Contracting Co. Limited
Toronto

D. O. Johnson
Johnson Brothers Co. Limited
Brantford

P. F. Law
Law Construction Limited
Toronto

E. Birdsall
Standard Paving Limited
Toronto

THE CHAIRMAN: Shall we adjourn for ten minutes, before we proceed with the questions on the brief?

MR. MATTHEWS, Q.C.: There are some appendices in the back of the book, Mr. Chairman.

THE WITNESS: Appendices Nos. 1, 2 and 3 are the list of the small contractors.

Appendix No. 4 shows a list of the 39 out of the 48 States which now require pre-qualification of contractors on all highway work. I do not think it is necessary to read them all.

BY THE CHAIRMAN:

Q No. I notice you say that New York and Pennsylvania require post-qualification.

A Yes, I have here three letters from the American Road Builders' Association. Do you want them read? They are the ones who directed our attention to study the Michigan situation, as being an excellent example of pre-qualification.

THE CHAIRMAN: Have you anything, Mr. Matthews, which you think should be properly noted?

MR. MATTHEWS, Q.C.: No, Mr. Chairman.

THE CHAIRMAN: These letters are in the appendices, and indicate the correspondence which took place.

We will recess now for ten minutes.

--- The Witness temporarily retired.

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--- Whereupon a short recess was had.

--- Upon resuming.

THE CHAIRMAN: Gentlemen, there was certain information requested during the trip. I think the Secretary has communicated that request to the Highway officials concerned.

MR. JOHNSON (Secretary): The list of tenders submitted by the Fort York. I requested Mr. Tregaskes to give us the information.

THE CHAIRMAN: There were certain contracts on the Atikokan and the Marathon-Terrace Bay roads, upon which we requested information from Mr. Cash. We received rather incomplete information on that, concerning the original tender price.

Mr. Elson, I would like to get the details -- I do not know who prepared the memorandum; perhaps I had better get it in front of me; it came in the mail to me -- starting with Contract 51-71, a number of sheets here, giving the detailed break-down of the various quantities and unit prices in each case, and it says at the bottom, "Estimate of Total Tender", and it gives the dollar figure. I think this is the original contract, based on the estimate.

We would like to get the final figures where they are available. Perhaps if I let you have this, Mr. Elson, you will see what I am getting at.

Perhaps Mr. Zoller is the man who could get that information for us.

MR. ELSON: We will get it, Mr. Chairman.

THE CHAIRMAN: I think one of the members of the Committee asked if, in each case, we could be given unit price established by the Department as distinguished from the unit price of the bidder, when they arrived at their own estimated costs.

That information would not be available to the bidders, but I think we would like to have on our record the departmental unit price, and the details.

MR. COLLINGS: There is one into which I was looking, and one upon which I would like to have some information. That is Contract 49-36. I would like the Department's original estimate of the bidding.

THE CHAIRMAN: I take it you mean the unit price as set by the Department, and the details as to how it was arrived at.

MR. WREN: There is one matter I would like to have made more clear. I recall at one of the meetings in the Northwest, you stated you had received advice from the Accounting Department that all the books and records which were seized were returned, and they were no longer the subject of investigation. These have given us some concern. Perhaps Mr. Cotnam could tell us if we are treading on somebody's toes.

THE CHAIRMAN: It was my recollection the books had been released, where no prosecutions were indicated. However, I am speaking only from recollection. The Hon.

Attorney-General can tell me whether I am right or wrong in that.

MR. COTNAM: Actually, search warrants were served, but the books were not seized from any of the contractors. We did not take the books out of the offices. They are still in the possession of the companies.

HON. MR. PORTER: As I understand it, once a search warrant is issued, the books are legally in the custody of the Crown for the purpose of investigating the matters mentioned in the search warrants, and when the investigations are completed, the search warrants automatically expire.

MR. WREN: Have these warrants expired?

HON. MR. PORTER: Yes, the warrants expired. There is no formal way of getting rid of them, withdrawing them, or anything of that kind, but when the investigations are completed, that ends it. If they want to go into the books again for any purpose, they have to issue a new search warrant.

Up to the present time, in regard to some of these contracts; it may be that the investigations are completed under the search warrants. In other cases there may be some which are not completed. Is that right, Mr. Cotnam?

MR. COTNAM: Yes, Mr. Porter.

THE CHAIRMAN: Following that explanation, I was requested by the Solicitor in Port Arthur or Fort William --

I am not sure which -- to let him know, if it was possible, whether the books of the Howittson Company were still under seizure.

MR. JAMES: That brings a question to my mind. What is the position of the contractor during the time the search warrant is in effect? Is he completely tied up?

HON. MR. PORTER: Oh yes; it all depends on whether the tender is acceptable to the authority who is letting the contract.

MR. JAMES: Is he completely tied up, and out of business?

HON. MR. PORTER: No, not necessarily. It depends on the employer of that contractor -- the prospective employer -- as to whether he wants to give him any new work or not.

MR. JAMES: It might result in a serious holding up of the work.

HON. MR. PORTER: Not the work that is going on. They are still under an obligation to carry out any contracts they have. It does not interrupt the work.

MR. JAMES: That is what I wanted to get quite clear.

HON. MR. PORTER: These people may be perfectly innocent of any wrong doing.

MR. WREN: What I wanted to get clear was this: the position of the Opposition groups in this, is that we fully intend to carry out our commitment that we are not

going to unduly approach anyone, and I wanted to be sure we are not going to ask any contractor, or any person connected with them, any improper questions.

HON. MR. PORTER: I entirely agree with Mr. Wren's position.

MR. WREN: I will not ask who the contractors are. I take it there are some still under investigation, and it would be wiser to refrain from questioning at this time.

HON. MR. PORTER: Mr. Cotnam has the investigation in charge.

THE CHAIRMAN: Are you referring to anything which is in front of us at the moment, Mr. Wren, or are you speaking generally?

MR. WREN: I do not recall from memory the names upon whom warrants were served.

HON. MR. PORTER: Did you have some question arising from this brief this morning?

MR. WREN: In view of the Chairman's statement that it was improper, I do not think I have any question at the moment.

THE CHAIRMAN: Perhaps we could find that out.

MR. WREN: It might embarrass him to have to answer which was which.

THE CHAIRMAN: If we may resume now. Mr. McQuigge was good enough to read the brief through, and I must say, irrespective of what the members may think, at

the moment, as to the accuracy of this, or any statement in it, it represents a well-prepared and well-worked-out report, and I think every member of the Committee appreciates it being presented to us in this manner.

We might start at page 3, Mr. McQuigge.

THE WITNESS: Before starting, I would like to point out, since you have a list of all the Directors who approved this unanimously, that at the meeting there were three Past-Presidents, and one former Vice-President, who attended the meeting, and expressed their approval.

BY THE CHAIRMAN:

Q In addition to the names we already have?

A Yes.

Q You might give us those names.

A Mr. L. A. Merlo, Mr. T. Moffatt, Mr. F. H. Lehman, and Mr. G. G. Robinson.

THE CHAIRMAN: Thank you.

BY MR. VREN:

Q Mr. Chairman, in this brief from the road builders' -- which I agree is a very excellent one -- there was one item in the J. D. Woods and Gordon report, appearing on page 39, which is of great importance, and that has to do with the acceptance of favours. It is headed - "Acceptance of Favours".

I notice you made no mention in your brief about this aspect of the Woods Gordon report, which has received considerable publicity, and I wondered if you

have any comment to make on that?

A Mr. Wren, all I can say about that is from my own personal experience.

We have given Christmas presents of a modest nature, and it is a custom which I think obtains in all phases of society.

We give a gift, not with the idea of trying to bribe somebody, but as a gesture of goodwill and friendliness.

As far as I am concerned, I have no problem on that score.

The report says, at line 4 of that paragraph:

"Various companies, however, have tried to out-do each other, and the monetary value of such favours has increased."

A As far as our company is concerned, we are not in any contest.

BY MR. JAMES:

Q What is the value of your gifts? Approximately how much would they cost? It has been suggested they consisted of radios, cars, and all that sort of thing.

A We are not in the electrical supply business.

BY HON. MR. PORTER:

Q Where do you draw the line?

A The type of gift was a "fruit-of-the-month club" which comes each and every month, and according to the F.B.I.'s rule, it can be eaten in one day -- if you

have a tremendous appetite.

BY MR. BECKETT, Q.C.:

Q That is only one month?

A As a matter of fact, it is twelve times, because it comes once a month.

BY MR. JAMES:

Q You mean you take them out to dinner once a month?

A No. We occasionally do take people out to dinner. I make no "bones" about that.

BY MR. WREN:

Q Do you think the application of that practice in any form, limited or otherwise, is good?

A If it amounted to an excess, I would agree with you that it is bad.

When we give a Christmas gift, it is not for the purpose of trying to bribe someone.

Q To create goodwill?

A Perhaps. That is what we are trying to do all our lives.

BY HON. MR. PORTER:

Q I suppose if you got a Christmas gift from all contractors, there would be no partiality in the mind of the recipient.

A Strangely enough, we do get gifts from the contractors. Some of them are unexpected, but greatly appreciated.

BY THE CHAIRMAN:

Q You are speaking of your own experience?

A Yes.

BY MR. WREN:

Q From sub-contractors?

A Yes. And it is an indication --

Q The point I am making is the report is very buoyant in its recommendations. In fact, I am of the personal opinion that the laws of the Province probably should be amended to provide various severe penalties for anyone accepting or offering a gift of any kind to people who have in their power the awarding or disposal of public funds.

Inasmuch as this company of consultants makes a point of it, and makes a definite recommendation, I was wondering why the Association had neglected to mention it, perhaps even to deny it, or state you had some rules in your Association which would deal severely with a member found following this practice.

A We have not any rules on that score. Of course, if the regulation is put in as suggested, that settles it.

MR. COLLINGS: Mr. Chairman, perhaps we should ask for a brief from the Purchasing Agents Association on that score.

THE CHAIRMAN: I asked the Secretary to bring down the English regulations and the Act. I think it might help, to look at that. It may take a few minutes



to get them here.

BY MR. WREN:

Q You are prepared to say that, as far as you know, you do not know of any expensive gifts -- of great value -- such as automobiles, as Mr. Jones has suggested, or a radio, or something like that?

A No, I cannot say I know anything about it.

BY THE CHAIRMAN:

Q You heard the rule of the F.B.I. -- perhaps you read about it? It was outlined to us in Albany.

A Yes, Sir.

Q Will you comment on that, as to the sufficiency of that in your view, or otherwise? Or have you no comment to make on it?

A It sounds like a very sensible rule, to my way of thinking.

Q The rule is called by Mr. MacTavish, Q.C., "The Hoover Rule". It is the rule of the F.B.I., that no employee may accept a gift from a contractor which he cannot eat, drink or smoke in one day.

BY MR. MAPLEDORAM:

Q I suppose it would be your point of view that a car or a radio would not be considered a gift; it would be considered a bribe?

A I think it is a little too generous, anyway.

Q That would not be considered as a "gift"?

MR. DENT: A token of appreciation for services

rendered. Do not kill the spirit of it.

MR. WREN: A little "spirits" but not a whole case.

MR. JAMES: I think they told us in North Dakota --

THE CHAIRMAN: The note I have on that is as follows:

"The North Dakota officials were not in agreement with the Wood-Gordon report as to the acceptance of gifts. Their view was it would be impractical to enforce that practice. They can see no harm in accepting gifts on appropriate occasions, and it was clear this was the recognized practice in the Department."

MR. JAMES: I think this is an excellent brief from the Road Builders' Association, but in order to have it complete, we would have to either have it checked by the Department of Highways, or have Mr. McQuigge tell us what the situation has been.

MR. CHAIRMAN: My thought was we should go through it now, and ask such questions as we think advisable.

On the question raised by Mr. Wren, I hope the Secretary will be back shortly, and we can revert to it again. In the meantime, we might proceed with page 3.

BY THE CHAIRMAN:

Q You outlined, Mr. McQuigge, your Road Builders'

Association, and the number of members. Are the dues to that Association modest, high or low?

A They vary. Every member of the Association has one vote, irrespective of the fee he pays.

Our fees are in three groups, \$700, \$400, and \$200 per year.

BY MR. JAMES:

Q What do they get for that large fee?

A This organization has been re-organized, and we have a permanent office, and a General Manager.

We try to inform each and every member of anything which is of interest in the industry. If they have a particular problem, we ask them to bring it to us, and we try to deliberate on the problems which they may bring.

In such a case as this (indicating) -- the preparation of this brief -- we could not have produced it without these officials.

We are in the process of a change, and your question is very well-timed, because we hope to be able to provide the service to all contractors over the years, which will be of great value to them.

BY MR. MAPLEDORAM:

Q Have you a Constitution drawn up?

A Yes. We are incorporated under The Ontario Companies Act.

Q Will you file a copy of your Constitution?

A Yes, I have not it with me, but I will obtain it.
Mr. Philpott is here, and he will send a copy over.

BY MR. BECKETT, Q.C.:

Q What is the total membership?

A 84 contractors, and 43 associate members, who represent the supply and feeder industry, like the oil companies, the stone companies, rubber companies, truck companies, and equipment dealers.

All of our equipment dealers are associate members.

BY MR. WREN:

Q When does a man become a "contractor" within the meaning of the Association? How big does he have to be?

A We do not seek members. We have a Membership Committee. If anyone wishes to become a member of the Association, we have proscribed forms for membership, and our Membership Committee which is composed of a Chairman and three others, scrutinize the applicant as to character, resources and equipment; check on the work he has done for the owners of previous work, and they report back to the Board of Directors with a recommendation.

If everything is favourable, we then set a fee which is acceptable to the contractor. He then joins.

Our membership is scrutinized very carefully.

Q In that regard, from your knowledge of the State of Michigan, with which I am a bit concerned; those committees will function jointly with the State Authority, and I would think the condition of a man being pre-qualified

might lead him to believe that he belonged to the State Road Builders' Association.

A I imagine he would be.

Q Would a man, just because he was turned down for membership, be precluded from qualifying for Government work?

A Oh no. In the State of Michigan there are many contractors who are not members of the Association, but who are qualified.

I think in the State of Michigan there are something in the neighbourhood of 50 contracting members, and anything that is beneficial to and for the good of the Association, is for the benefit of outside members also.

The same thing would apply here.

Q He would not be barred from qualifying for State work?

A No. It is not a condition precedent that he belong to the Association.

THE CHAIRMAN: Then let us move over page by page, in case anyone has any questions to ask.

BY MR. JANES:

Q The "\$50 million" mentioned at the top of page 4, I find, is a very interesting figure.

A I think it is conservative.

Q I will go back to it. In the contracts, under

"Pre-classification" is \$43 million, after all these years.

A This \$50 million merely refers to the capital investment.

Q That is what I am coming to. You multiply that by $5\frac{1}{2}$, or $7\frac{1}{2}$, or something. It seems we are way ahead on that.

A This Appendix (indicating) is not the only list of pre-qualified contractors in Michigan.

BY THE CHAIRMAN:

Q It is representative?

A Yes. You will notice that 19 of those are pre-qualified for \$30,000. At our last meeting there was some concern shown over the small contractors, and it was suggested that it might be restrictive to their growth, and we dug up the statistics to show we parted cleanly, and how the small contractors grew in these various instances.

As it turned out, in 18 cases they grew substantially, and in 2 cases they are unchanged.

BY MR. WREN:

Q Could you give us an example there on how a small man would reach the \$30,000 initial requirement? I cannot understand all your percentages. Could you give us an example to show how much cash a man would have to have, and how much equipment? Let us assume he represents

a firm with good references, and knows the work.

What equipment would he have to have to start in?

A If you take this formula, you will note the quick assets are multiplied by $7\frac{1}{2}$. For the purpose of illustration, we will take a man with \$5,000 -- or let us say \$10,000, for easy figuring. That gives him \$75,000.

He has a letter of credit for \$5,000.

That is multiplied by 5, which gives him \$25,000.

He has equipment -- it may be used equipment -- and may be worth \$20,000, and it is written in the books, or appraised at \$10,000. That is multiplied by the factor 4, which amounts to \$40,000.

On the surface that would give this particular contractor, under the Michigan set-up, \$140,000, subject to certain deductions. It may be he had never performed a contract in the State of Michigan, so they could theoretically cut that by 50%, or \$70,000.

He may have had some bad credit rating, and it could be reduced further.

There are 8 factors set out here (indicating), which could vary that.

If he performs a job to the satisfaction of the Department and the creditors, and everyone else, he can be restored and increased.

THE CHAIRMAN:

I would refer you to No. 1, of the report by J. D. Woods & Gordon, on "Pre-classification".

BY MR. JANES:

Q Going back to my point: You say that \$50 million is a conservative estimate? That covers 68 contractors?

A 84 contractors.

Q With that pre-qualification set-up, would it permit them to tender for very high ratings?

A Not necessarily, because on the list prices now, a great deal of that equipment may be 3, 5, 7, 8, or 10 years old. For instance, Caterpillar Tractor. In our firm we have them for 8 or 9 years, and we rebuild them, and put on a new set of tracks, or circuits, or piston liners, new pistons, new rings, until about the only original part of the tractor is the name on the throttle control.

Q Then this \$50 million is misleading? You say they have not that much equipment?

A There is always new equipment being purchased by some contractor, so the picture is changing. This can only be an approximate picture, but I dare say if you went down and made an inventory of all the equipment a contractor had, as was listed in our Association, it would exceed that amount.

Q An "inventory", is present-day value?

A Unless we made an exact survey, which would be a fairly comprehensive task in itself. I cannot give you an exact answer on that.

BY MR. WREN:

Q On page 5, paragraph 4.

A The Canadian Construction Association has told our General Manager that our group has the largest equipment inventory of any organization similar in character in Canada.

BY MR. JANES:

Q What I was coming at was that you have improved in your financial position to ~~one~~ extent as they have in Michigan.

A Yes, there has been a tremendous growth in the inventories.

Q I am not criticizing pre-qualification at the present time, but I am saying there is very little difference in the position of the contractors here and the contractors there, as far as financial set-up is concerned. They have all increased to a certain extent.

A I would think so.

BY MR. WREN:

Q On page 4, paragraph 5 you mention "needless financial risks".

THE CHAIRMAN: Have we cleared page 4?

We will follow along page by page.

BY MR. WREN:

Q Will you give us some examples of what you think are "needless financial risks"?

A Well, some of those are mentioned later in the report. That is what we are referring to.

When you bid on a piece of work, and the pre-engineering is lacking, you are taking a risk which is needless, to my way of thinking.

BY THE CHAIRMAN:

Q This Special Committee mentioned in paragraph 5; you say in many cases you recommended, back in 1953, recommendations contained in the Woods report?

A Yes.

Q Did you pass those on to the Department at that time at all?

A I believe some of our members passed them on to the appropriate authority in the Department.

Q When would that be -- in 1953?

A That was in November, 1953.

BY MR. BECKETT, Q.C.:

Q Did they pass on the whole report to anybody in the Department? You apparently made a report?

A The Ontario Road Builders' Association did not give the report to the Department, but we distributed

it to all our members. The entire membership received a copy of the report, which was, first of all, approved unanimously by the Directors of the Association at a general meeting which was held in December, at which 53 members from all over the Province were in attendance, and those 53 members passed on the report unanimously.

Then we sent out the report to all members who were unable to attend, and we received confirmation by mail from 11 more, bringing the total up to 64. There was no dissent amongst the 64. There were some from whom we received no word at all, but that is quite understandable.

We have contractors in our organization who do nothing but perhaps crush a few thousand tons of gravel in the course of a year, and they very seldom attend our meetings, except the annual meeting, which is held at the time of the Ontario Good Roads Association's Convention.

Q That is co-incidental?

A Co-incidental, perhaps.

THE CHAIRMAN: Is there anything on page 6?

BY MR. WREN:

Q You say you are supporting the recommendations in the Woods-Gordon report, in regard to a long-term

plan. You say:

"A flexible, long-term plan should be prepared for the development of the highway system throughout the Province."

The point about which I want to ask you is that your Association would know about this work for private people? Other companies and other people build roads. Would you find they would get pre-engineering work done to any greater degree?

A Yes. I am speaking personally now. Pre-engineering was most complete.

Q Therefore, you encountered a few difficulties?

A Contractors always encounter difficulties. Even the weather can make a terrific difference to contracts.

Q You are still talking about pre-engineering?

A That is right.

BY MR. JAMES:

Q On page 6, it says:

"The Engineering Department, which is presently 25% below strength, has been working under extreme difficulties."

Would you enlarge on that?

A Mr. James, I believe we took that from the J. D. Woods and Gordon report. I probably should have mentioned that. I believe it was 25% or 30%, if my

memory serves me correctly.

BY MR. WREN:

Q When you use the words:

"Selection of new projects to be called for tender should be deferred to greater engineering influence." ,

do you infer that perhaps some jobs had been left until they were pre-engineered, or was it better to proceed with the Province's growth?

A Some of our members felt that some contracts were called as a matter of whim --

BY THE CHAIRMAN:

Q As a matter of -- what?

A Whim, but in arguing back and forth with other members, they suggested it is purely a matter for the Engineering Department to determine the need of that particular road, by traffic counts, and so forth.

Since last year I see that a section of the Department of Highways has been set up along that line. Perhaps if our members had known that, that particular sentence would have been omitted.

Q You are referring to the practice in the past?

A That is right.

Q You were thinking of those "whims", as you say?

A Yes. I am speaking for the Association, and in anything I say I am trying to interpret it in terms

of many conversations and many discussions which I and the Committee have had with contractors.

In order to prepare this report, we felt it was expedient and necessary to contact as large a portion of our membership as possible, in order to make it a truly representative report.

THE CHAIRMAN: Is there anything further on page 6?

BY MR. JANES:

Q Going back to the "25% or 30% below strength": We were assured by Mr. Millar that they had made every effort to get up to strength over the years, but found it impossible to get the engineers.

What is your view on that?

A I think it is absolutely correct. I think Mr. Millar did his level best to increase the staff.

During the past five years, engineers have been in tremendous demand in private industry.

Q That brings up another question. Do you think when they were 25% or 30% short of engineers, that they should have done 25% or 30% less work on the highways?

A Without the proper pre-engineering, I would have to say "yes", even though I would not be too popular with my contractors. The contractors always want work.

Q And people want roads?

A Yes, people want roads. We all have large

equipment inventories, and when we see it sitting in our yards accumulating rust and dust, it is not conducive to a happy frame of mind.

Q Do you think the highways in the Province have suffered to the extent of 25% or 30%, by reason of the fact of not having the proper pre-engineering?

A I do not feel that I can answer that question properly.

BY MR. WREN:

Q I think on our tour up north we saw some examples of what the witness is talking about. I am speaking of the old roads, none of which I think came under our observation.

For example, east of the Lakehead, where an older road has since been designated as a part of the Trans-Canada Highway, the pavement has to be all re-built, because it was not engineered.

Perhaps that is what you are getting at.

A I am thinking of a case which might illustrate it. It is not exactly the "pre-engineering", but it is in regard to the purchase of the property.

Our own firm has a contract we are just completing between Stratford and London. We started the contract last summer, and it turned out the properties were not completely purchased.

We had planned to place certain equipment on the job at various intervals, and push it through. We could have completed it last Fall if the properties had been purchased, but by reason of the fact that they were not purchased, we had to carry over during the winter, and leave it in care of a watchman.

Q Did you make any request for compensation for that?

A I will have to discuss that with my partner. I have not.

Q That is an important matter.

A We feel our costs were increased by reason of that delay.

BY MR. JANES:

Q Do you suggest they should have gone in and expropriated that property immediately?

A Mr. Janes, I think the property should have been purchased, so the contractor would have had a free swing at it. It would have saved the Department and our Company money.

BY MR. COLLINGS:

Q These delays are costly in time?

A Yes.

BY HON. MR. PORTER:

Q You mean they should not have let the contract until they had the property?

A That is right.

BY THE CHAIRMAN:

Q Once you decide where you are going, you should get the preliminaries cleared up, before you start?

A Yes.

BY MR. BECKETT, Q.C.:

Q The contractor does not know, when he gets a contract, whether the property has been purchased or not?

A No. We did not know, until we met one irate farmer who said, "If you step over this line, I will sue you. This land belongs to me, not to the Department of Highways."

Our drivers showed great respect for his feelings, and their own good judgment, and stayed off of it for many months.

BY MR. JANES:

Q There must have been a reason for that?

A I think there was an association of property owners formed up there, and they all agreed to stand together, and hoped to get a higher price for the property.

BY THE CHAIRMAN:

Q At the bottom of page 7, you speak of

"borrow pits", and the tendency to try and line them up ahead of time for prospective bidders?

MR. WREN: There is a legal point there. Are not gravel pits under the control of the Department, or the hon. Minister?

THE CHAIRMAN: Where they are on Crown land.

MR. BECKETT, Q.C.: No, any municipality can go out and buy gravel pits and borrow pits.

MR. WREN: My information is it requires an intensive report.

THE CHAIRMAN: Where the Crown owns the land, or an unpatented mining claim --

MR. BECKETT, Q.C.: Or a reservation.

THE CHAIRMAN: Yes. But where a man owns the property, he can sell the gravel.

MR. WREN: Up in our country, even members of your Association have been known to go in and buy up everything, and hold the properties for gravel pits. A man might make more out of a gravel pit than out of a contract.

THE WITNESS: I never had that experience.

BY THE CHAIRMAN:

Q At the top of page 8, you say:

"We believe it should be a departmental responsibility to determine, in advance of tender calls, the

suitability of the materials in the pits, as approved by the Soils Laboratory."

A In every contract, they state clearly they do not guarantee the suitability of the materials, but they will give you an indication of where there are pits. But, because of the shortness of time between that information, and the time the tender goes in, the contractor, who perhaps may be bidding on a dozen jobs scattered from the Ottawa Valley up to Sault Ste. Marie, has not time to take samples from the various pits, and take them down to the Soils Laboratory.

MR. JANES: I think in Albany, New York, they did not guarantee anything.

BY THE CHAIRMAN:

Q The contractor had to find everything.

A The reason that was put in, was this; there had been several cases of contractors who had bid on a piece of work, and there was a pit which was located nearby, and they bid on the job with that pit in mind, but after the contract had been awarded, the pit had been condemned, and the contractor had to move 5 or 10 miles further from his source, and that changed the picture.

BY MR. WREN:

Q Have you your own engineer, who can make tests of the soil?

A Yes, we have a very competent staff in most cases.

MR. JANES: I remember asking the question in New York if they compensated the contractor for extra haulage, and they said "No".

BY MR. BECKETT, Q.C.:

Q That is up to the contractors?

A Yes.

BY MR. COLLINGS:

Q On page 29, it is suggested that the contractors supply the material, rather than the Department. If you recommend the purchase of that, why not purchase the sand and gravel?

A Those are manufactured products, and the quality of them is not in any doubt at all. Gravel is an unknown factor.

Q You can still purchase it, though.

A Yes, that is what we have been doing.

BY MR. MAPLEDORAM:

Q Do you submit samples to the Soils Branch for analysis, before you make your final bid?

A If we have time.

BY MR. WREN:

Q What do you consider "reasonable time"?

THE CHAIRMAN: We will come to that under one of the headings.

BY MR. COLLINGS:

Q You say that the Department, back in 1949 and 1950, was up against the problem of securing an adequate number of engineers?

A I do not think there is any doubt about that, Mr. Collings.

Q If those conditions prevailed, you, as a member of the Association, in order to get your firm working would probably have to employ somebody, and would take a chance on taking those jobs, where there was not a great deal of pre-engineering?

A That is right.

BY MR. WREN:

Q How many of your members, during those years, might have failed, or gone bankrupt, due to the lack of pre-engineering? Not very many?

A I think there might have been quite a few which could have gone under.

Q "Could have"? How many did?

A I have been informed there has been one --

BY MR. JAMES:

Q Only one, was there not?

A There have been 3 or 4 of them over the past few years who have, "turned turtle". But it seems to me I read that in the Committee hearing, and I cannot give you an exact figure.

MR. JANES: I thought it was one or two.

It was a very small number anyway.

THE CHAIRMAN: Could we deal with page 8, because I think all the questions will fit in somewhere along the line.

On page 8, "Public Tender Opening".

However, I see it is now ten minutes to one. Shall we start with this now, or adjourn for luncheon?

MR. WREN: I think we might start after luncheon.

THE CHAIRMAN: We will adjourn until two-thirty this afternoon.

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--- Whereupon at 12:53 o'clock p.m., the further proceedings of this Committee adjourned until this afternoon at 2:30 o'clock.

AFTERNOON SESSION

Toronto, Ontario,
Monday, June 28th, 1954,
2:30 o'clock p.m.

- - - - -

The further proceedings of this Committee
reconvened pursuant to adjournment.

PRESENT:

Mr. A. Kelso Roberts, Q.C., Chairman,
Presiding,

Messrs. Hon. Dana Porter, Q.C.

Collings

Beckett

Mapledoram

Herbert

Dent

Janes

Mr. R. L. MacTavish, Q.C., Committee Counsel

Mr. V. J. Johnson, Secretary

APPEARANCES:

Mr. Donald Gordon, Management Consultant

Mr. Don McQuigge, President,
Ontario Road Builders'
Association

Mr. D. H. Storm, Vice-President,
Road Builders' Association

Mr. W. M. Philpott, General Manager,
Road Builders' Association

Mr. Beverley Matthews, Q.C., Counsel,
Road Builders' Association

Mr. Harry Cotnam, F.C.A., Provincial Auditor,
Province of Ontario

Mr. George Spence, Assistant Auditor,
Province of Ontario

Col. J. M. Muir, Professional Engineers' Assoc.

Mr. D. Jennings, Q.C. for the
Standard Paving Company

Mr. B. J. MacKinnon, representing
Mr. Peter Wright, Q.C. for the
Hon. Mr. Winters,
Minister of Public Works, Ottawa

Mr. M. A. Elson, Deputy Minister,
Department of Highways

Mr. W. A. Clarke, Assistant Chief Engineer,
Department of Highways

Mr. C. A. Robbins, Chief Engineer of Maintenance,
Department of Highways

Mr. J. L. Zoller, Financial Comptroller,
Department of Highways

Mr. J. D. Millar, Deputy Minister,
Department of Public Works

Mr. A. J. Tregaskes, Engineer, Department of Highways
(Trans-Canada Highway)

Mr. Fred Duncan, for the Liberal Opposition

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THE CHAIRMAN: Gentlemen, I think perhaps we have reached the hour for resuming.

I will revert to the discussion we had this morning in regard to the gifts' problem.

I have in front of me, "Standard Forms, Conditions of Tender, and Contract for Road and Bridge Works, Issued for the Guidance and Use of All Highway Authorities in England and Wales".

I will read item 71 on page 24, because I think this was a very satisfactory method of handling the problem:

" The Council shall be entitled to determine this Contract and to recover from the Contractors the amount of any loss resulting from such determination if the Contractors shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of this Contract or any other contract with the Council or for showing or forbearing to show favour or disfavour to any person in relation to this contract or any other contract with the Council or if any of the like acts shall have been done by any person employed by the Contractors or acting on their behalf

(whether with or without the knowledge of the Contractors) or if in relation to this Contract or any other contract with the Council the Contractors or any person employed by them or acting on their behalf shall have committed any offence under the Prevention of Corruption Acts 1889 to 1916 or shall have given any fee or reward the receipt of which is an offence under subsection (2) of section 123 of the Local Government Act 1933. Where any such gift inducement or reward has been given or promised in relation to the obtaining or the execution of the Contract or any sub-contract hereunder to any officer or person in the service of the Council who shall be in any way connected with the obtaining or the execution of the Contract or any sub-contract hereunder the Contractors shall also be liable to pay by way of liquidated damages a sum equal to ten per cent. of all the sums which become payable to them under the Contract. Any dispute as to the amount recoverable by the Council from the Contractors as a result of determination hereunder shall be settled in manner provided by clause 72 hereof. "

Then, clause 72 goes on to provide the following -- and I will read it:

" If any dispute or difference shall arise between the Council or the Engineer and the Contractors with respect to any matter or thing arising out of any decision or opinion of the Engineer under Clauses 17, 33, 35, 50, 53, 54, of these Conditions or otherwise arising out of or in any wise relating to the contract not being matters or things in respect of which by the Contract (other than the Clauses above-mentioned) the Engineer or the Council are expressly or by implication required or permitted to give a decision or exercise a discretion then such difference or dispute shall be referred to and be determined by a single arbitrator under the provisions of the Arbitration Act, 1950. "

So, if there is a dispute under Section 71, it can be referred to a single arbitrator, under the Arbitration Act.

It is quite apparent that in relation to any gift there must be an inducement or reward, and that would allow any person to accept a drink, or a cigar, without being shot.

That is something which perhaps should be considered by the Committee at the appropriate time.

Now, with your permission, Gentlemen,
we will continue with Mr. McQuigge.

DONALD E. McQUIGGE

President, Canadian Road Builders' Association,
previously heard, now recalled, and having been
already sworn, continues his testimony as follows:

BY THE CHAIRMAN:

Q Now, Mr. McQuigge, will you proceed with
page 8 of your brief?

MR. BECKETT, Q.C.: May I revert to page 6
about the Engineering Department which is 25% below
strength.

BY MR. BECKETT, Q.C.:

Q Do contracting firms find that engineers
are available or not?

A Yes. If you want to pay the engineers the
salaries they expect, you can get them.

BY MR. COLLINGS:

Q That is new, is it not?

A Yes.

Q Let us go back to 1949 and 1950: Was it harder
to get engineers?

A Yes, I would say it was harder then.

THE CHAIRMAN: We will proceed from "Public

Tender Opening". To get back into the discussion, you will note a quotation is made from the Woods Gordon report as follows:

"Tenders should be opened in public and details of the low bids made available to all bidders."

That is supported by this brief (indicating).

BY MR. WREN:

Q Has it been your experience, Mr. McQuigge, that these tenders were not opened in public?

A Yes.

Q Or without any public notice of them?

A They are always opened in private, although on two occasions I was asked by the hon. Minister of Highways to attend the opening of tenders. That was back in January or February of this year.

Q But prior to that --

A Prior to that, I never heard of any contractor ever sitting in at the opening of a tender.

BY HON. MR. PORTER:

Q That has always been so?

A Yes, as far as my knowledge goes.

BY MR. JANES:

Q Did you ever ask for the privilege of sitting in?

A No.

BY MR. COLLINGS:

Q How long have you been doing business with the Province?

A Our first contract was in 1938.

Q And in 1938, and along in there, they were never opened in public?

A Never.

MR. DENT: I do not think it is the policy of the Department ever to open them publicly.

HON. MR. PORTER: No, I do not think they did.

MR. DENT: That has not been their policy.

Right or wrong they have not got away from that policy.

BY MR. JANES:

Q You never asked for the privilege of sitting in?

A That is right.

BY MR. WREN:

Q This perhaps has been related before the Committee, that is, that the tender cheque and the tender proper were in separate envelopes. Would you know of any reason why that would be the practice?

A I think it was a matter of convenience for the Construction Engineer, or whoever it was who handled the envelopes. All the marked cheques would be in one pile, and all the tenders would be in the other. I do not know the mechanics of it.

Q Would it not be as easy for you to attach your cheque to the tender form?

A It makes no difference to us. The envelopes are provided by the Department, and they have different colors. It is just a question of sealing one more envelope.

BY MR. COLLINGS:

Q You might be tendering one or more bids?

A Yes.

Q And the cheque in the envelope would cover those one or more bids?

A They would cover the highest tender of the group we were bidding. There would not be a marked cheque for every tender.

Q And the one cheque in one envelope might cover three tenders?

A Yes.

MR. MAPLEDORAM: That may have been the reason for it.

MR. COLLINGS: Yes, that may have been one of the reasons.

BY MR. COLLINGS:

Q How far back did that go -- the question of putting the cheque in a separate envelope?

A As far back as I can remember.

BY MR. WREN:

Q To 1938, at least?

A Yes.

BY MR. COLLINGS:

Q So it is no new policy?

A No.

BY THE CHAIRMAN:

Q You support the recommendation of tenders being opened in public, and a table given to all bidders?

A That is right.

BY MR. WREN:

Q What time elapses between the time the tenders are opened, and the decision is made as to awarding the tenders?

A That varies. In some cases it has been most prompt -- two or three days. In other cases it has been several weeks.

Q You recommend here (indicating) that it should be at once?

A Yes.

BY MR. JANES:

Q You say the contract should be awarded on the day the tender is received?

A Yes.

Q That would not be possible?

A It is done in many places. I see no reason

why it could not be arranged here.

Q Are there not certain days upon which tenders can be received?

A No. They are received here until 12 o'clock noon.

Q And they are opened then?

A No.

BY MR. COLLINGS:

Q You mention a certain date of closing? They are to be opened on that day?

A Yes.

BY THE CHAIRMAN:

Q You are not suggesting you could not mail one in two or three days previously?

A Oh, no.

Q But they should all be opened on the day of the closing of the bids?

A Yes.

MR. JANES: There would be the possibility that the official might be otherwise engaged.

THE CHAIRMAN: If they are assigned to this work, they will not be otherwise engaged. They will be engaged on this job.

BY MR. BECKETT:

Q You say "The lowest qualified bidder"; What does that mean?

A This brief (indicating) implies two things, pre-engineering and pre-classification.

THE CHAIRMAN: Are there any other questions on page 8?

BY MR. COLLINGS:

Q This would be a sort of an independent cheque. If we adopted the 5%, you would see no objection for attaching the tender cheque to the tender?

A That is right. That would be alright. No objection at all, and a marked cheque for every job.

Q If you have done any city work, that is what you have been in the habit of doing?

A I understand that is so, yes.

THE CHAIRMAN: Any other questions? I do not want to rush anything through. This is all very important.

BY MR. COLLINGS:

Q If you have any knowledge of the City of Toronto procedure, you know those tenders are opened in public on the day set for it?

A I have no personal knowledge of that, because we have not bid any city work, but from hearsay, I believe that is the case.

MR. BECKETT, Q.C.: That is the case with all municipalities. They are opened at a public meeting.

BY MR. COLLINGS:

Q And they are sent to the Department for checking?

A Yes, it is a mechanical check.

BY MR. WREN:

Q Have you ever heard of a case through your membership, where the lowest tender was not accepted?

A Where the lowest tender was not accepted?

Q Yes.

A As far as I know -- yes, I have.

Q You have heard of instances where the lowest tender was not accepted?

A Yes, .

Q And what were the reasons you have heard?

A We cite an example later on, where the contractor might be low on five different jobs, but he is only capable of doing two, so he is awarded those two.

The remaining three, upon which he was the lowest, may have his price met by some other contractor, so the low price is used, but when you look into it, you find he is not capable of performing all five, and could not have performed them within any time limit.

Q How could they decide without pre-qualification that he cannot handle all five hypothetical jobs?

A There is a completion date in every tender,

and they would have to sit around a table with him.

Q He would have the choice of five jobs?

A I do not think he would. I think the Department would give him the job where the public would receive the greatest economic benefit.

The contractor might not have the selection. He might prefer numbers one and two, rather than numbers four and five, but if he was low on the five, it might be more economical for the taxpayers, to give him jobs four and five.

Q The tender would still go at the lowest price?

A That is the way I understand it.

Q In spite of the fact that the next lowest tender might be several thousand dollars higher?

A Yes.

BY MR. COLLINGS:

Q Mr. Chairman, in the City Department of Works, they tender themselves on the different jobs. Do you see anything in favour of that, Mr. McQuigge?

A Yes, personally I think it is a good thing. It is an excellent guide. I know that many municipalities, not only in Canada but in the United States, adopt that policy.

I believe in some places, if the tender is above their estimate, it is automatically rejected.

Q Yes, but if they are the low tenderer, and another contractor wants to take it over at the departmental figure, I believe they are allowed to do so.

A Yes, I believe that is the case.

BY MR. JANES:

Q Each tender would go to the Department, and they would decide what to do?

A Yes.

Q That is the same thing?

A It is not known to the contractor. It is for departmental purposes.

Q In this case it would not be known to the contractors?

A No.

BY MR. COLLINGS:

Q Oh yes, they are opened in public.

You have never had a case where the Department said, "Our estimate is lower; will you take it at that figure?".

A No.

Q But, in the City, a tender is opened and recorded, and if the Department of Works is lower, then the next bidder, the next lowest bidder, has the right to take it at the City's bid.

A I have heard of that, Mr. Collings.

Q You think there is some merit in it?

A Yes.

Q You think they would have to be equipped to do the work, to be able to tender?

A Yes.

BY MR. JANES:

Q Perhaps, from what you say, they would not have the equipment, so they could not do that.

A They cannot have it both ways? Is that what you mean?

Q Yes.

A I would rather think they would have the equipment.

THE CHAIRMAN: I see, Mr. McQuigge, you are summarizing, at the bottom of page 8 and the top of page 9, full disclosures, and you say, at the top of page 9: "The over-all result is better balanced bidding throughout the road building industry as a whole".

BY MR. WREN:

Q You have never been furnished with a list of what the other fellows might have bid?

A No.

BY THE CHAIRMAN:

Q I would like your comment regarding that statement on the top of page 9. Could you give us an explanation of that?

A That is merely information, Mr. Chairman,
Q The more information you receive, either on your
own jobs or on other people's contracts, will give you,
perhaps, a different slant on the way your opposition
is bidding.

For instance, after a job has been let, you
find out if he has it at such a price, and you immed-
iately start to try and interpret that price in terms
of your own experience.

Very often the contractor is a way below you,
and he may be coming up with a new method, or a new piece
of equipment, of which you are not aware, and his price
may be justified.

On the other hand, you may find out he is
going to use the same equipment you would use, and the
same methods, and it makes you want to examine the job,
to see why.

Q In Albany, I think it was, I asked the question --
and this evidence can be referred to -- that when an
estimate was arrived at by the departmental people, and
a figure arrived at, and they arrived at a total cost,
they insisted, almost without exception, that the bid
must be under their estimate, and they also said if certain
items in the bid did not come within a certain percentage
of their estimate for that particular job, they would

throw out the bid.

Mr. Johnston, our Secretary, has just drawn it to my attention here. Mr. Nickerson said, at page 723;

"Generally speaking, the total bid has to be less than our figures".

Then, in the break-down of the bid, if any one of those items is not within certain bounds, they would throw out the bid.

In some cases they find what they think is a "joker", and they re-advertise.

MR. BECKETT, Q.C.: He said that invariably it had to be below their estimated price.

MR. COLLINGS: And in practically all cases a completed job was most generally below the departmental estimate of the cost of the job. That was done by a pre-engineering job.

They produced a contract there, and I would say the drawings would be that thick (indicating), blue-prints of the cross-sections, and profiles of the whole work, every little gully.

THE CHAIRMAN: It was a very thorough job.

MR. COLLINGS: Yes.

THE CHAIRMAN: Let us take two examples by way of illustration.

Supposing you are calling for earth and find rock: If the earth figure was either above or below the

rock figure, or vice versa, than the departmental figure, they would throw out the actual bid.

BY MR. MAPLEDORAM:

Q They had the total cost of the contract in there, too. The total figure was in there. There was only one unit price.

THE WITNESS: Unclassified materials?

MR. MAPLEDORAM: You had that as a guide in figuring out the unit cost. If you got above that, you knew you were figuring wrongly so it gave the contractors a good guide.

MR. GORDON: In New York they stated they rounded their estimate upwards, so they were always high, so if anybody did not come under them, they were obviously out of line.

THE CHAIRMAN: Mr. Gordon, do you recall anything along the line I am mentioning, that where the prices are a way out of line --

MR. GORDON: They did mention something about that. However, the impression I received was it did not apply to many prices, because it covered earth and rock, and other unclassified material. I think it covered culverts, and that sort of thing, which are not in the normal price.

MR. COLLINGS: If our policy was to open the tenders in public, and disclose the unit price of all bids,

would that have a tendency in the future bidding to bring the contractor more in line with the proper cost per unit?

THE WITNESS: I think it would contribute materially to a move in that direction.

BY MR. COLLINGS:

Q It would not injure the Province's position in receiving fair bids?

A Not at all.

BY MR. BECKETT, Q.C.:

Q Is that what you mean by "better balanced bidding", as appears at the top of page 9?

A All that sentence means is that anything which can contribute to the sum total of the knowledge of the contractor, will ultimately help him in his bidding.

MR. COLLINGS: Mr. Chairman, in this schedule of 1950 construction contracts awarded, have you a contract amongst these (indicating)? I have not seen that list.

THE WITNESS: Was it published in the paper?

THE CHAIRMAN: Not in detail.

MR. COLLINGS: Not in detail probably.

THE WITNESS: If I could glance at it, I might be able to say. ~~Pearson~~ and McQuigge is the firm name.

MR. COLLINGS: Alright; then I will have a look.

BY THE CHAIRMAN:

Q A 1950 contract?

A Yes, I had a contract.

MR. WREN: There are two practices which have developed since 1938 -- or whatever date it was -- which I think are very, very bad.

The first is the one we are discussing now, where a contractor is able to make five bids, well knowing that he could not handle them, if he did get them. That leaves the other bidders in a very difficult position, and it leaves the Minister -- and no matter what Government it is -- in a position where he can administer a severe spanking to a contractor, or group of contractors, he does not happen to like. Then they farm out the others to outsiders, which I think is very, very wrong.

The second is the very low unit price has led to this bailing out of difficulties, because they obviously bid too low. The quicker we get away from it, the better.

MR. COLLINGS: There is one picture, Mr. McQuigge, in reference to Contract 50-42. Your bid was \$476,000, and the finished price was ~~\$480,000~~ \$499,000.

THE CHAIRMAN: That must have been a well-bid one.

MR. COLLINGS: I was going to say that there, you are \$23,000 below.

MR. WREN: We were told by an engineer that

with a properly-engineered job, they should not be more than 10% out.

MR. COLLINGS: Where would that be?

THE WITNESS: From Bowmanville to Newcastle, on the new **four-lane** highway.

BY THE CHAIRMAN:

Q I thought I would ask if you had any views on the unbalanced bidding; whether it would be practical to put any restrictions at all on the limits within which individual unit prices must conform with the departmental figures, assuming that the Department is going to do a better pre-engineering job.

A Yes, increase it, that is, the ones that seem the most unrealistic?

Q Would you care to comment on that?

A That would be a personal view. We have not discussed that from the point of view of the Association. That was one point which was not covered.

I think it is a matter which should be discussed between the Department and, say, the Committee on Specifications, so that they could report and get the feeling of the industry.

Q I do not think it is within our purview to get to a refinement of that sort, but it is something which probably should be looked into by the technical staff, and see if it was a help.

A Yes.

THE CHAIRMAN: Now, continuing on page 9;
are there any other questions?

BY MR. JANES:

Q You mentioned tenders in the wintertime.
Why should they call them in the wintertime?

A I was wondering if it was not at the request
of the contractors, so they would know what work was coming
on. I do not know.

For instance, in regard to grading, where they
have to go out and inspect the nature of the material,
and locate gravel pits, with a foot of snow on and frost in
the ground, makes for a terrific expense, that is, to put
down those pits to discover what is there.

It just seems impracticable and too costly.

BY THE CHAIRMAN:

Q Is there an ideal time of the year for calling
for tenders?

A The feeling of the contractors is there is a
tremendous amount of work to be done, and a back-log could
be prepared and called at fairly frequent intervals with
sufficient time, as long as the proper information is
supplied.

A contractor always likes to have work he can
start on in the Spring. He is eagerly anticipating the

harbingers of Spring, so that he can get the wheels rolling again, and if the grading contracts are called in June, he has missed possibly a month and a half of the best good weather.

If they are called in the Fall, he can stake out the property, and make a start on it, and then close down for the winter, and resume his work on the first day he is permitted to do so, by climatic conditions. In that way no time is wasted.

BY MR. JANES:

Q Has that not been the practice? I remember the statement in the House that so many million dollars of contracts were called last year, for the work to be done this year.

A There were a number of jobs called last summer which were uncompleted.

A case in point is our own contract, which I mentioned before the luncheon interval, up in London, where I mentioned we were held up by lack of property purchases. We could have had that job completed.

No doubt there are other contractors on that same stretch of road in the same position. I do not claim ours was an isolated case.

BY MR. COLLINGS:

Q On this 52-12 contract, do you recall if you were able to do that within your specified time?

A What contract is that?

Q 52-12, the one you spoke of down at Bowmanville.

A As a matter of fact, personally I had very little to do with that. That was several years ago, since it was let. I do not think there is any complaint about it. That is about all I can say.

Q But in your brief you say, "We should hold . . . to a completion date".

A Yes, I am a strong believer in that.

Q From your experience, how has it worked out?

You told us about the London one.

A As far as I am concerned, and other contractors, there has been very little attention paid to the completion date.

Q Yes, I have found very much of it. One up north was let in July, 1949, and was to be completed in November, 1949, but was still going in 1953.

But, to be fair, I must say that was one which was changed to Trans-Canada specifications. That could change it terrifically, but four years seems a long time.

A Yes.

BY MR. JANES:

Q Do you remember the information we received . . . some place that they thought they were unable to enforce the completion date?

MR. BECKETT, Q.C.: No, I think it was the penalty clause, they could not enforce.

THE CHAIRMAN: They have the Court of Claims.

MR. BECKETT, Q.C.: They insist on a completion date.

MR. MAPLEDORAM: If it goes beyond that, they charge it up to the contractors.

BY MR. COLLINGS:

Q Would you put in a bonus for finishing before time? One works along with the other, in my opinion.

A We made that a specific recommendation, Mr. Collings.

BY MR. BECKETT, Q.C.:

Q You said you had attended at the letting of some contracts just last winter?

A Yes. There were some grading contracts called, I believe in the latter part of January, and paving contracts as well.

MR. JANES: We have many sections of the Province not covered by snow.

BY MR. BECKETT, Q.C.:

Q Do you remember where those were?

A I cannot recall right now. The General Manager has not that particular information. I think some member of the Department of Highways could provide

it in short order.

THE CHAIRMAN: Will Mr. Elson be able to answer that question?

MR. ELSON: Yes, I think so. May I ask Mr. McQuigge to repeat the question?

THE CHAIRMAN: It has been suggested that Mr. Clarke might answer that question by finding out where those contracts were, which were called last winter.

THE WITNESS: Yes. There were some grading and paving contracts called. I believe it was in January, or the early part of February.

The grading jobs were covered with snow and the gravel pits were inaccessible for the same reason, and the contractor was not able to make a proper inspection in order to determine the true facts.

MR. ELSON: Mr. Clarke has an answer which may explain that.

MR. CLARKE: Yes. On December 16th, last year, there were grading contracts called, and I think in January they were awarded.

THE WITNESS: I believe that is right.

BY THE CHAIRMAN:

Q The question was where they were located.

MR. CLARKE: I will have to look that up.

THE CHAIRMAN: Would you rather take a little time on that?

MR. CLARKE: Yes.

THE CHAIRMAN: Are there any further questions on page 9? (No response.)

BY THE CHAIRMAN:

Q Now, Mr. McQuigge, will you please go over on to page 10?

A Yes.

BY MR. WREN:

Q What do you consider sufficient time between the tender call and the award.

A Mr. Wren, there is a diversity of opinion amongst the contractors, and that is why we have the last paragraph in this section:

"We respectfully suggest that stipulation of the adequate time limit between publication of tenders and the date for submission of final bids should be a matter of mutual determination by Department of Highways, Ontario, and by authorized representatives of the Ontario Road Builders' Association."

Q For example, what would you think was the minimum time required in the north country for a five-mile piece of new road, having looked at it?

A That, in turn, depends on how much information is provided. There are some intangibles in there. It is something which can be worked out quite readily, between the contractor and the Department without too much difficulty at all.

BY THE CHAIRMAN:

Q Now, in regard to "pre-engineering", at the bottom of page 10, going over on to page 11?

MR. COLLINGS: Just here, Mr. Chairman, seeing that Mr. Storm is here sitting at the table -- and I do not know whether this is a proper question; you can stop me if it is not -- after your experience Mr. Storm, with contract 50-84, where you apparently bid on Ontario specifications and it was changed to Trans-Canada specifications, can you tell us if the Department submitted further pre-engineering, and when that was changed, or why would it run your contract bid of \$320,000, up to \$720,000.?

THE CHAIRMAN: I think that question is quite in order.

MR. COLLINGS: As a Committee, we have been trying to find out just what enters into the cost of the change-over from your first bid to the Trans-Canada specifications.

MR. STORM: Well, Mr. Chairman and Mr. Collings,

I was on that job. I looked that job over myself.

That was a job for 70 miles north of Thessalon, about 80 miles south of Chapleau. It was called in the early Spring.

I went up and looked at the job, and I saw it only on a Saturday night, early in the evening. I had to get off of it, because I was going to another job.

The information on that job was extremely sketchy. There was no plan, and no profile.

MR. COLLINGS: That was when you made your original bid?

MR. STORM: Yes. I bid on the job, and I was awarded the contract.

Now, the relationship between the amount of rock and the amount of earth primarily and ultimately -- there was no relationship.

Whether the profile plan was put on ahead of time to bring it up to the Trans-Canada specifications and reduce the grade, I cannot say, but it made a tremendous difference in the quantities.

I have never compared the quantities with my final quantities. It would be interesting to see that.

MR. COLLINGS: That is the point, Mr. Chairman. What I am trying to bring out is this; when a report was released by the auditors showing the contracts

of \$35 million had risen to \$51 million, the answer is that there was over a 100 percent increase in that tender, through no fault of the contractor.

Would it not have been better, Mr. Storm, had we just advertised, and asked for unit prices -- period, when we were not able to give you any pre-engineering plans or specifications?

MR. STORM: In the invitation to bid it shows the road shall be from "A" to "B". Now, what do you want in between there? If you want the road without trees, I will put it without trees. I do not know how hungry you are for grades, the amount of material, the amount of drainage, and so on.

I remember one item of concrete worked out just about right. I thought at the time it was miraculous. I, as an engineer myself, could not have determined without a very good survey, where the drainage was, and so on. But it just happened that I was right.

MR. COLLINGS: It strikes me as odd how it affects our budget, when we budget for \$327,000., and have to pay out \$725,000.

MR. STORM: That is right.

MR. COLLINGS: It is not clear to me yet.

MR. STORM: You got \$721,000. worth of work.



MR. COLLINGS: I am sure of that. Mr. Chairman, I think that was demonstrated to us quite clearly on the way North. We have magnificent highways -- no question about that.

But what I am trying to get at is this: I found one where there was 6 miles, and the estimated cost was \$50,000. per mile, and we finally had to pay \$200,000. per mile.

What happens to our budget?

MR. JANES: That was because it was changed to the Trans-Canada specifications.

MR. STORM: I would say that.

MR. WREN: If you had found on job 50-84, Mr. Storm, that you were going to have that increased quantity of material, you and the other contractors would have made a different bid on unit prices?

THE CHAIRMAN: You gentlemen were both sworn when you started to give your evidence, and Mr. Beckett points out that you were not re-sworn. I take it you will continue your evidence under oath?

MR. STORM: It does not matter to me whether I am sworn or not. I will tell you the truth.

I did not know whether it was going to be less than the \$327,000. I bid. I do not know what the engineer's estimate was. Maybe it was \$727,000.

But I had no time -- and this is quite a long way back -- and I would say there were forty jobs to do, and I flew to the "Soo", and picked up a car there, and I was brought out there and I got stuck at night, and had to call the garage people to pull me out. I turned around and went home.

I think in a week I must have looked at seven or eight jobs.

MR. WREN: So the fact is the Department of Highways and you really took on that job in the dark?

MR. STORM: That is right.

MR. COLLINGS: And you had no idea what the job would cost?

MR. STORM: That is right.

MR. COLLINGS: You had no idea of the total bid?

MR. STORM: The total bid means nothing. It is only a matter of comparing my tender with somebody else's, and my working for the unit price.

MR. WREN: Would you not think that some contractors might get into trouble? In fact, I know of some who did get into trouble. I do not mean in a criminal way but, because, they discovered the job was too big for their resources, and simply because of the lack of engineering they did not realize the scope of the

job they were getting into.

If they had known, perhaps they would not have bid at all.

THE CHAIRMAN: That does not relieve the contractor of the responsibility of a signed contract.

MR. WREN: No, but you might have kept him from being obligated at all.

HON. MR. PORTER: He was bidding on the unit prices.

MR. WREN: It is unrealistic.

HON. MR. PORTER: He is put into the position where he has to make up his mind that the information --

MR. WREN: He is doing it all the while with the thought that the job would not exceed \$400,000., and when it gets up to \$700,000., he perhaps could not finance it.

We are just guessing at it, but I do not see why it should cost that much public money.

MR. JANES: Mr. Storm said the concrete work was exactly right. Therefore, the contract could not have been very far out.

MR. STORM: I think so, Mr. Janes.

MR. JANES: They must have made a very fair estimate.

THE CHAIRMAN: Well, let us come back to



Mr. McQuigge.

BY THE CHAIRMAN:

Q On page 11, Mr. McQuigge, you set out various things which should be done by way of pre-engineering, and I think perhaps this Committee will be rather wholeheartedly in favour of that. That is my own view at the moment.

A In regard to "completion dates" --

BY MR. COLLINGS:

Q I think you should enlarge on that. You say, "Rigid enforcement of the completion date is a matter of necessity".

THE CHAIRMAN: And they go on and say that the public would be better served by it.

BY MR. COLLINGS:

Q Would you interpret that "non-completion"?

A The contractor might see another job he would like to have, and he bids on it, and put equipment on the second job, at the expense of the first one.

Q I am trying to see if we adopt the completion date, and hold to it, we might not arrive at a figure which would be a legitimate cost for delays?

You mentioned one in London, not proper land purchases.

A That might still happen again.

Q Yes. What else?

A There might be unprecedented bad weather and we might be moving clay. If you have several weeks of continuous rain, it would be very difficult. It can happen. We just could not work.

Q Supposing we were rigid in our enforcement of it; at what time in the contract would you appeal to the Department and advise them that you could not finish on that date?

A As soon as the danger of non-completion becomes apparent. I think then the contractor would endeavour to clear himself with the Department, as to why he is falling behind.

Q If we are going to put that in, should there not be some relief for somebody?

A Yes. I think it is a matter of good intent, and an appreciation of the facts as they exist.

BY HON. MR. PORTER:

Q You do not suggest in your brief as to what should happen if you did not complete the contract.

MR. DENT: Could you not include in that, "things beyond the contractor's control"?

BY HON. MR. PORTER:

Q How do you suggest it could be practicably enforced?

A I think the Department of Highways is capable of determining what is a reasonable with which any contract will be called, and can be relied upon to make due allowance for the sake of safety, and considering their own requirements, to determine when a road should be completed.

BY HON. MR. PORTER:

Q Suppose it is not completed; what would happen? What would be the result from the point of view of the contractor, if a fair clause was inserted?

A In pre-classification, there is machinery whereby the contractor can be penalized as to his rating; in other words, as to how much work he may handle in one year.

MR. BECKETT, Q.C.: Subject to an appeal.

BY MR. MAPLEDORAM:

Q Is there anything wrong in doing what New York did, charging the extra engineering to the cost of construction?

A No, I think that is quite legitimate.

Q It may not run up very high.

MR. JANES: You must allow time for an appeal.

THE WITNESS: That is the principle on which we are operating, that there is always the Court of Appeal in this democracy, and I think it works fairly well.

BY MR. BECKETT, Q.C.:

Q The fact that a contractor did not comply, and was dropped down into a lower category, would not make it "rigid enforcement"?

A That would not be enforced, I do not think.

BY HON. MR. PORTER:

Q It would have a pretty good effect, I should think.

A I was told by the contractors in Michigan, the worse thing that can happen to a contractor is to be brought down in the social structure. If that happens, the contractor fights with all his strength to restore his prestige.

Q I think that would be effective.

A I think it is effective in that State.

BY THE CHAIRMAN:

Q You have used the words "bidding by opportunists". That is rather a forceful expression. Do you want to comment on that at all?

At the top of page 12, you say:

"As a result of uneconomical bidding by opportunists who have depended on departmental indulgence in the matter of non-enforcement of completion dates."

A I believe that people who have work in hand,

when other work comes up will say, "Well, I might as well 'take a crack at it', too".

They may be the low quote, but they have not enough equipment to finance, nor the personnel to do all the work.

They then take advantage of the situation, by reason of the fact that they are awarded the job, but they know positively they cannot do the job within the time limit.

Q By rigid enforcement of the time limit, that would be defeated?

A Yes.

BY MR. COLLINGS:

Q Your pre-classification would come in there?

A That chap would not have a chance to bid on the job, because he is not properly qualified.

BY MR. BECKETT, Q.C.:

Q The last part of that reads:

"Who have depended on departmental indulgence in the matter of non-enforcement of completion dates."

MR. WREN: We have seen cases up North where they will dabble in one, and then go on to another. If they had to finish one job, they would go ahead with it.

BY MR. BECKETT, Q.C.:

Q You say:

"Who have depended on departmental indulgence."

A Yes, in view of the fact that it has not been enforced, and a contractor thinks if he is low, he will get the job, so he keeps on bidding, and gets more work than he can handle -- that is, some of them.

THE CHAIRMAN: We now come to "Multiple Bidding" on page 12.

BY MR. WREN:

Q And you say:

"During one year, practically all of the concrete paving jobs in Ontario were completed at the prices established by one contracting firm, long since out of business, which made a practice of making dangerously low bids across the board."

A I believe I was in Public School when that happened. To be perfectly frank, Mr. Wren, that sentence was expressed at a meeting and it was noted.

I think the first paragraph on that page covers that point. It is just another example of "multiple bidding".

Q It is a very sweeping statement, that they set the price in practically all the paving jobs.

A Mr. Storm says he can answer that very point.

MR. STORM: That happened, as some of the older engineers will remember. It was the firm of Oro and Clarke, long since gone. I know Mr. Oro is dead. They bid their concrete jobs extremely cheap -- this was a number of years ago -- however, I did not happen to be a contractor at that time and cannot work out their prices.

BY HON. MR. PORTER:

Q How long ago was this?

A Mr. Storm, can you answer that?

MR. STORM: It was in the 20's.

HON. MR. PORTER: Perhaps Mr. McQuigge will remember when he was in Public School.

THE WITNESS: That would be 1923.

BY HON. MR. PORTER:

Q Perhaps one contractor could easily do all the concrete work done at that time?

A No. There was a great deal of concrete work being done at that time.

HON. MR. PORTER: Mr. Storm, when it says, "During one year", would that be about the time?

MR. STORM: It was one year, and everybody lost money, because they were all looking at Oro and Clarke's prices.

That is still remembered by Mr. George Raynor, and Johnson, Levy and Chick, and Louis Merlo.

BY MR. BECKETT, Q.C.:

Q Did that apply to the municipalities in the same way, back in those days, as far as the paving jobs were concerned?

MR. STORMS: I would not know that. There was a case of multiple bidding where people had met the low bidder's price, when their bids would have been thrown out. If they had been capable of doing the job, I would have suggested letting them do it, but they were irresponsible bidders.

BY THE CHAIRMAN:

Q At the bottom of the page, you urge a penalty on contractors for non-completion date. Do you want to elaborate on that?

HON. MR. PORTER: He did answer that. I think the answer was directly to that same point. They would be re-classified.

BY HON. MR. PORTER:

Q Is that not your proposition?

A Yes.

Q It might be a contract which ended up in the courts?

A Yes.

MR. BECKETT, Q.C.: But supposing he did have the qualifications; what would be the system then?

MR. COLLINGS: If we do not adopt re-classification?

BY THE CHAIRMAN:

Q Is there any other cure than re-classification?

A I think that could be determined by a discussion between the Road Builders and the Department.

BY HON. MR. PORTER:

Q I think some practical solution could be arrived at.

A Yes.

BY MR. BECKETT, Q.C.:

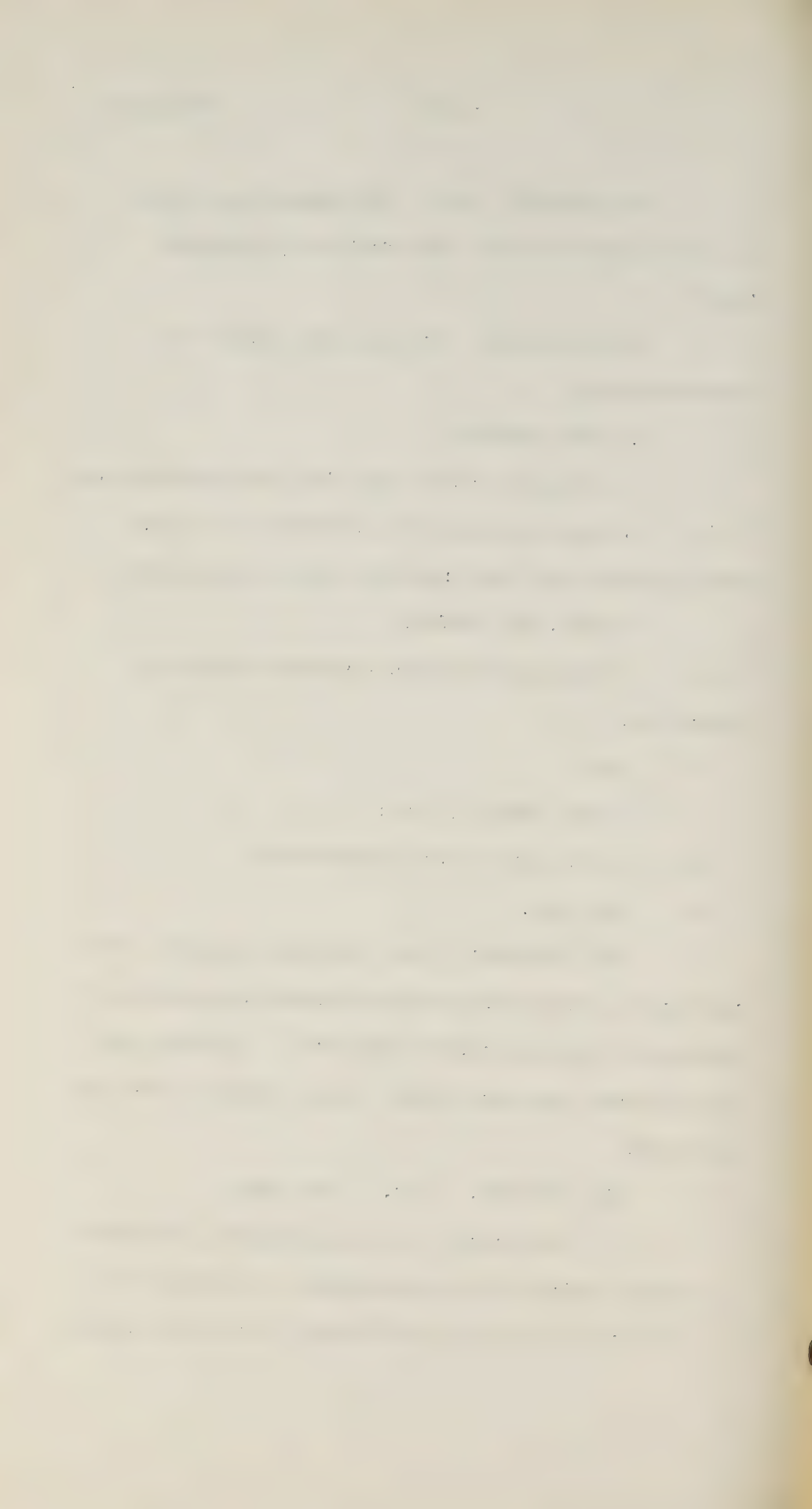
Q On the part of the contractors?

A Yes, sir.

THE CHAIRMAN: Now, turning to page 13. The heading is, "Association attitude toward Department of Highways of Ontario contract methods". Is there anything on that page about which anyone wishes to ask any questions?

MR. COLLINGS: Yes. This says:

"They have, in varying degrees, influenced the attitude of the Department of Highways in the matter of calling for tenders, and in the method



"or practice of dealing with, and making final settlement with contractors who have performed work for the Department."

MR. WREN: And it goes on to say:

"Over many years, many contracts have been called where there has been practically no preliminary engineering line, and the grades were not established."

BY MR. WREN:

Q What proportion of those contracts, "over many years"? Would you amplify that statement.

A I cannot give you any figures, Mr. Wren, but we all know there are many jobs where the pre-engineering has been excellent, and there have been many other contracts on projects on which there has been little or no pre-engineering.

Q Let us go back to pre-war. That includes 1940, when engineers were more available. What was the state of the engineering situation then, say, from 1925 to 1940?

A A good deal of it depended on the locality you were in.

I think the lack of pre-engineering has probably existed to a great extent in the North Country, than, say, in the Toronto area.

Q They did not start work up there very extensively until 1930.

A I realize that.

BY MR. MAPLEDORAM:

Q The engineers were closer to Head Office?

A That might be so.

BY MR. JANES:

Q Is it not easier to do engineering in Southern Ontario than in Northern Ontario?

A I would think so.

MR. MAPLEDORAM: There are not so many flies down here.

BY MR. JANES:

Q They do not have to contend with varying situations.

THE WITNESS: They have not the difficult situations with which to contend, as they have in the North.

BY MR. WREN:

Q Let us put the question this way: When did the seriousness of the lack of engineers become most apparent?

A It has been growing up since the war, by the tremendous volume of work which has been called. The impact of the lack of pre-engineering has been brought

home more forcibly because of the terrific expansion in our roads' system.

BY MR. JANES:

Q Was not possibly the most of it caused by the Trans-Canada Highway coming along, and the fact that it had to be completed in a certain time, and that rushed the work along?

A That probably contributed a great deal to it.

MR. WREN: The Trans-Canada agreement was in 1950, was it not?

THE CHAIRMAN: Yes, I think about mid-1950.

BY THE CHAIRMAN:

Q Are you in a position to put the answer on the record, now? If not, we will revert to it later.

Is there anything else on page 13?

BY MR. JANES:

Q I was interested in the last four lines of the first paragraph, on page 14.

A Maybe I am a bit ahead?

THE CHAIRMAN: Have we finished with page 13? If so, we will go to page 14.

MR. JANES: Just read the last four lines, Mr. Chairman.

THE CHAIRMAN: Of the first paragraph?

MR. JANES: Yes, Mr. Chairman.

THE CHAIRMAN: This says:

"It is true that no contractor is required to tender under these conditions, but all contractors need work, and from their prior experience with the Department, each contractor felt that if the work were awarded to him, and decently performed by him, he would not suffer any financial loss."

I suppose, if you put it that way, what you are saying, in effect, is, whoever is lucky enough to get the tender, will have a cost-plus job? Is that it?

A That is what it apparently amounts to.

BY MR. JANES:

Q He will be paid for what he moves?

A Paid for a good day's work.

MR. DENT: That is good public relations.

BY MR. WREN:

Q Are you suggesting for a moment that no matter how unrealistic the bid may be, you would take it?

A No, I am not. I know from my own experience, in my own firm, that our firm's policy is when we bid a contract, we bid it solely on the basis of the cost-plus plan, and we think that is reasonable and proper. If we cannot get it on that basis, we are not interested.

In recent years we have had very few of them.

Q In the absence of this engineering, how can

you estimate it properly?

A We play safe, so we do not get the work.

BY MR. COLLINGS:

Q Would it not have been far better to have
left out the lump-sum total?

A And just confine the bidding on the unit?

Q Yes. When you did not have that pre-engineer-
ing, which you feel you should have had?

A Yes.

HON. MR. PORTER: In many cases it is mean-
ingless.

THE WITNESS: It has been, in many cases.

HON. MR. PORTER: You might estimate the
quantities you think you have to move, but you are paid
for the quantity you move, which may be twice as much.

MR. WREN: It is a successful tender.

MR. COLLINGS: If, as Mr. Wren says --

MR. WREN: You may correct me, if I am
wrong.

HON. MR. PORTER: We had better get that
straightened out.

MR. MAPLEDORAM: That is exactly what
Mr. McQuigge is saying.

MR. WREN: It is my understanding that by
contract "X", the contractor's price for rock is \$1.00,

and for earth is 50 cents per yard, and the total on the D-4 is extended at \$320,000.?

HON. MR. PORTER: Yes, but the Department does not disclose that.

MR. WREN: I know, but it discloses the estimate of the quantities.

BY MR. WREN:

Q My understanding is, Mr. McQuigge, if you bid \$300,000., on the total, and another bids \$310,000., and a third man bids \$320,000., you get the job?

A That is right.

MR. COLLINGS: May I give this as an example -- and I am reading from the contract? Here it is:

"Clearing, 83 acres.

"Grubbing, 12,500 cubic yards of earth.
excavation.

"10,000 cubic yards of rock excavation.

"300 cubic yards of earth excavation.

"Culverts, 50 cubic yards of rock excavation.

"Culverts, 320 cubic yards of concrete culverts."

Then it goes on:

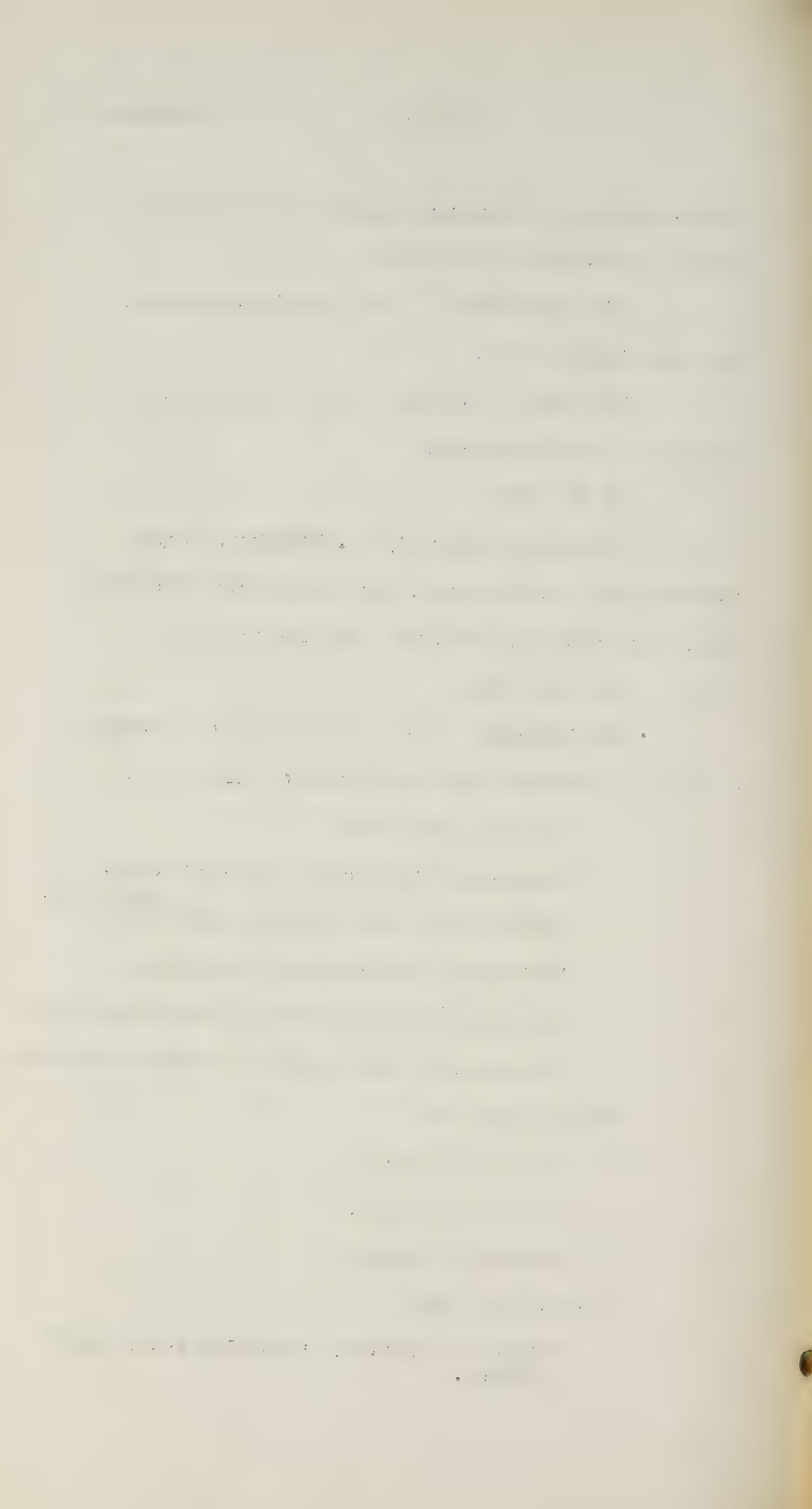
"C.I.P. 18 inches.

"C.I.P. 24 inches.

"C.I.P. 30 inches."

And then we find:

"Timber creosoting, 10 million feet, board measure.



"12,000 tons crushed gravel.

"New structures, 700 cubic yards, plus
re-enforced steel, 26 tons.

"Structural excavation, earth 320 cubic
yards; rock, 50 cubic yards."

BY MR. COLLINGS:

Q You would tender on those quantities?

A Yes.

Q Then, let us say this (indicating) is your
contract. You put in \$50 per acre for clearing, \$35
for grubbing, and so on; that contract was figured out
on 83 acres at \$50 per acre.

Another tenderer might come along and charge
\$47.50 per acre, so when it is extended out for the unit
price, you are the man who gets the job.

THE CHAIRMAN: Because he has the lowest total?

MR. COLLINGS: Yes. You might be high in
clearing, and low in concrete, but you would get the job.

MR. WREN: And if you are anxious to see
who gets the job, all you have to do is to juggle the
major figures, in order to get your dollar figure lower
than somebody else. If the contractor is smart, and
there is no engineering, he makes a re-check of rock and
dirt in the area, and he can adjust these figures, so
the figures will be lower, and he will get the job and

make just as much money.

MR. COLLINGS: Very well, Mr. Wren, if he puts in 57 cents per cubic yard for moving rock, he would only get paid 57 cents.

MR. WREN: Out of this \$290,000., the major item is \$177,000. for rock, and \$71,000. for dirt, that is a total of \$248,000., and all these items are incidental. They are pretty well fixed by experience.

If another man wants to put in a bid for it, knowing there is another hundred thousand, or suspecting an increase to two hundred thousand yards, he can get that done for \$1.45. That is following the present system.

MR. COLLINGS: No, I do not agree with that.

HON. MR. PORTER: I am not clear on that yet.

THE CHAIRMAN: Earth and rock are the major items all the way through.

THE WITNESS: Yes.

BY THE CHAIRMAN:

Q And if you are paid 40 cents for earth excavation, and \$1.45 for rock excavation; if it cost you \$1.75 for moving rock, and 50 cents for moving earth, the more you move, the more you go into the hole. You must have your unit price right, or you come out with a loss. Is that right?

A On that example, yes.

MR. WREN: If you over-estimate on one extensive item, and there is twice as much as the other bidder on the same amount, he can get the dollar total of his bid lower than the other man.

MR. COLLINGS: I think in every contract the earth excavation is far greater.

THE CHAIRMAN: Mr. Collings brought this up by saying it would be better to have quantities, instead of unit prices. I say unless you have the right unit price, you will go into the hole economically, so, unless you know something about the job --

THE WITNESS: That goes back to pre-engineering.

HON. MR. PORTER: One unit price might be all right for moving 100,000 cubic yards, but not right if you were moving 200,000 cubic yards.

MR. WREN: In the absence of pre-engineering, the use of the dollar total is totally unrealistic.

HON. MR. PORTER: I always thought it was there. I do not think there is any doubt about having the pre-engineering.

However, the fact is, as has been already explained, that there are reasons where it has been quite impossible in certain periods to do that.

MR. WREN: Let us say, \$1.56 for the first



100,000 cubic yards of rock, and another price for another quantity of rock, and so on, all down the line.

THE WITNESS: There are so many factors in moving a particular job. The first might be hauled in a radius of 1,500 feet, and the second might be for 2 or 3 miles.

So the haulage factor might change the whole picture.

MR. JANES: I cannot see anything wrong with that. They call for 100,000 yards of rock and 100,000 yards of earth at so much money. This contractor was a little smarter, and he figured out there was only 50,000 yards of rock and 150,000 yards of earth, and he took a chance and made some money. He did nothing wrong.

MR. WREN: He has to use the estimates of quantities from the D-4. He cannot use his own estimate of quantities. He must use the Department's estimate. He does not show it on his tender.

MR. JANES: He is finally paid for the amount he moves. He is a little bit smarter than the others. He is a smart contractor.

THE CHAIRMAN: Mr. Janes was talking about a completed contract. Those are two different things.

MR. MAPLEDORAM: Mr. Wren said the man who got the contract, got the job.

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MR. WREN: And he can only be paid on the Department's estimate of quantities, even if he knows there is twice as much.

MR. COLLINGS: The brief mentions that on page 16, where it says: "Work awarded at ridiculous prices."

Is there anything on page 14? It says:

"It is true that no contractor is required to tender under these conditions, but all contractors need work, and from their prior experience with the Department, each contractor felt that if the work were awarded to him, and decently performed by him, he would not suffer any financial loss."

Then further down on page 14, we find:

"How this condition came about over the many years since the original passing of the Highway Improvement Act has no place in this brief, but the conditions as stated existed over many years, and still exist."

I wonder if the contractors ever made representations to the Department, over the years, to try and get more realistic, as they say.

THE WITNESS: Yes; contractors, from time to time, have tried to get things changed on several occasions, but without any success.

BY HON. MR. PORTER:

Q That is, they tried to have improved pre-engineering? Is that the main point?

A Yes, I believe there have been requests along that line on another occasion.

Q Accordingly, you have recognized difficulties in obtaining sufficient engineering studies for your purposes, at different periods of time?

A Yes.

Q If that is so, were there any other representations made as to some way of dealing with this in view of these conditions? If you cannot have first-rate pre-engineering, then what do you do?

A We have just complained. That is about the size of it to date.

BY MR. COLLINGS:

Q Have you made other representations to the Department, other than on the ground of pre-engineering?

A Oh yes.

Q What were they?

A To have the cheques released more promptly. To open tenders more promptly. Numerous things.

Practically all these points which are in this brief I think have perhaps been mentioned at one time or another.

BY MR. MAPLEDORAM:

Q You mentioned a while ago, you "played it safe" in bidding these jobs. Do you think there are other contractors in the same position?

A Yes.

Q Do you feel that has, to some extent, held up the road program?

A All the contracts which have been called have been awarded, and have either been completed, or are at the point of being completed.

Q You did not get a contract?

A Oh, we have had a number of contracts.

Q In other words, you have not been out of work? Your outfit has not been tied up?

A We have worked for many industries, in many sections, in other provinces.

In recent years, we have had comparatively few highway contracts.

Q That is the point I raised. Do you have other contracts --

A I think we have had six contracts in the last two or three years.

Q I know one outfit which had a contract tied up for two years, and they would not bid on that same principle again.

A We have bid on them all. We are fully equipped, but we do not get very many.

BY MR. JANES:

Q I would like an answer to this question, although it may not be in order to answer it. When you tender for private enterprise, do they inform you the amount of tenders the other contractors have bid on the job, and do they open the tenders publicly?

A Sometimes yes, and sometimes no. But they make available the tenders.

BY HON. MR. PORTER:

Q I suppose a private organization is not under any obligations?

A No.

MR. MAPLEDORAM: It is not public funds they are spending.

HON. MR. PORTER: They do not have to take the lowest tender, unless they want to.

THE CHAIRMAN: They select their contractors, and invite them in?

THE WITNESS: Very often that is the case. They are concerned with time limits. They may have a factory which they want to put into production, and time is of the essence, or they might want to have a program, and know that the contractor could perform his contract

within the dead-line date.

BY MR. BECKETT, Q.C.:

Q They would have a penalty clause?

A Yes.

BY THE CHAIRMAN:

Q On page 15, I think you have made quite a statement there, which I will read:

"On many contracts, the unit prices of contracts entered into before the facts had been established, did not in any way apply to the work actually performed; and would probably bear no resemblance to the contractor's actual costs. Accordingly, on many contracts, the letter of the contract would have to be departed from and a settlement between the contractor and the Department made in the spirit of the contract."

If the unit price has no relation, does that mean the settlement in effect, would be on a calculation which would go outside the unit prices in the bids, and in the contracts?

A That would merely mean that a contract is practically on a cost-plus basis, as I would read that.

Q The actual cost plus a reasonable profit is the ultimate result? Would that be a fair way of summarizing what you have said there?

A Yes.

Q Regardless of whatever adjustment had to be made, that was the end result?

A Yes.

MR. BECKETT, Q.C.: Mr. Chairman, what is a "reasonable profit"?

THE CHAIRMAN: Mr. Beckett asked the question, "What is a reasonable profit" in that type of calculation.

THE WITNESS: When a contractor makes a settlement, he makes a claim, and it is argued back and forth, and mutually agreed upon.

He would have to demonstrate his costs, and the amount of money he has expended on that particular aspect of the contract.

BY MR. BECKETT, Q.C.:

Q Then does he ask for a percentage on the profits?

A I believe so. I have not "gone through that mill" myself.

BY MR. COLLINGS:

Q Are you suggesting we have let contracts at a certain unit price, and then disregarded that unit price, when we came to make the final settlement?

A No, I am thinking more in terms of classification.

MR. COLLINGS: Your brief says:

"On many contracts, the unit prices of contracts entered into before the facts had been established, did not, in any way, apply to the work actually performed, and would probably bear no resemblance to the contractors actual costs. Accordingly, on many contracts, the letter of the contract would have to be departed from, and a settlement between the contractor and the Department made in the spirit of the contract."

THE CHAIRMAN: He has mentioned "classification". Let us hear what he has to say about that.

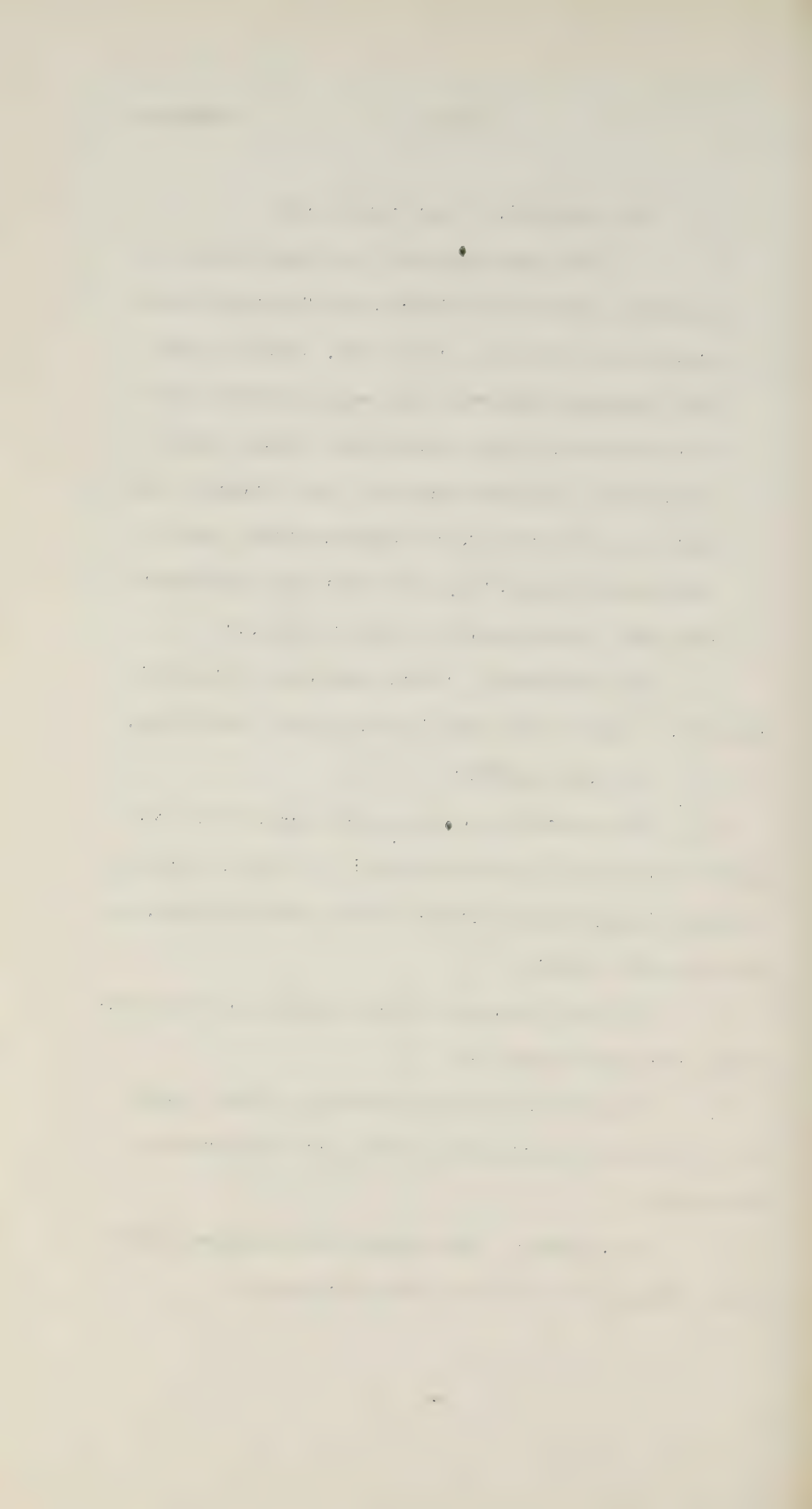
BY THE CHAIRMAN:

Q You mean that is the method applied to get your end result -- classification? In other words, a liberal classification is one way of getting around to the same end result?

A It is a principle which has been used in contract work by railways --

Q Who did the classifications in these jobs? The engineers from the Head Office, or the Resident Engineers?

MR. JANES: The witness just said he heard about this, but he had not done it himself.



BY THE CHAIRMAN:

Q Do not answer that question, Mr. McQuigge, unless you are in a position to, but that is a problem which has been put up to us several times.

A My own personal feeling is, it is from Head Office.

Q From Head Office?

A Yes.

THE CHAIRMAN: Thank you. Is there anything else on page 15?

You see perhaps the same thing, down toward the bottom of the page, where it says:

"Instead of re-negotiating the contract, or stopping the work, means were found and adjusted to the terms of the contract to pay the contractor the cost of the work done."

It does not need any more comment, than you have given.

THE WITNESS: I think it is mere repetition, Mr. Chairman.

THE CHAIRMAN: All right. Now, on page 16 --

MR. COLLINGS: You will see, Mr. Chairman, on the bottom of page 15 and the top of page 16, the following:

"This adjusting, or mutually helping out the Department for its inability to present the true

"facts before receiving tenders, and for paying the contractor the cost of the work done, created an understanding, a practice, or a spirit of mutual help which has existed between the Department and the contractor for year."

BY MR. COLLINGS:

Q What do you mean by "for years"?

BY MR. WREN:

Q How many years?

A As long as I have been in the contracting business.

BY MR. COLLINGS:

Q Back to 1938?

A Yes.

BY MR. WREN:

Q You would say it was a bad policy which was established, and nothing has been done to correct it?

A We are just stating our conception of a policy, which has grown up like Topsy, over the years.

BY MR. JANES:

Q You just stated a minute ago that the railroads did the same thing.

A Yes. As I pointed out the last time I was here, many of the railway contracts have a more liberal break-down of materials, solid, loose, hardpan, and even

moss removal.

THE CHAIRMAN: We will have someone here from the Canadian Pacific Railway in the next day or two, and we can find out something about it then.

BY MR. BECKATT, Q.C.:

Q Is it a fact, as stated in paragraph 2, this, coupled with the Department's seemingly avid desire to award work at the lowest unit prices on the continent, without regard to the ultimate cost to the Department, has brought about conditions that are not good?

I believe it was stated in the Committee proceedings, in Volumes I to IV, part of the transcript --

THE CHAIRMAN: I think you are quoting the statement by Mr. Millar.

BY MR. BECKETT, Q.C.:

Q I am asking if it is to your knowledge?

A We know this, the work is awarded at the lowest price, irrespective -- as I have pointed out -- that when the contractor may be low on one job, and he get two of them, the lowest price is used to have that contract done.

Q I appreciate that, but do you know, to your knowledge, they are the lowest unit prices?

A No, I am not qualified to say that.

BY THE CHAIRMAN:

Q Just to get that clear: are you not really quoting somebody else's words there? I think it was Mr. Millar. If you will read the evidence, I think he did say something about it.

A Mr. Millar did not say that the Department had an "avid desire to award work".

Q No, nor "the lowest prices on the continent".

A That should have been in quotation marks, to relieve me.

Q You were referring to something you saw in the evidence. It is in the evidence, but may be subject to correction.

That perhaps alters the meaning, if you are quoting somebody else, rather than attempting to say that is the fact.

MR. STORM: I can add a quote there. Mr. Campbell, of the Trans-Canada Highway, and Mr. Wood, the Assistant, have often said that the lowest prices in Canada are in Ontario. I think they would so state, if they were witnesses. That is hearsay on my part, but they have told me that.

THE CHAIRMAN: These gentlemen might be called.

MR. WREN: Do you mean, Mr. Storm, by that,

the final price bid?

MR. STORM: The prices awarded. That is the units at which they were awarded.

MR. WREN: Would you say our cost per mile of a given type of road is less than any other province?

MR. STORM: No.

MR. WREN: What other provinces were lower than ours on a given type of road?

MR. STORM: We are working at the present time in British Columbia. We have worked in Nova Scotia, New Brunswick, and Prince Edward Island.

It is only a thought, but I would think the ultimate cost per mile of Trans-Canada, on the same sort of work, is no lower than any other province.

MR. WREN: So this statement, "the lowest unit price" actually does not mean very much?

MR. STORM: These are prices, not the costs.

MR. WREN: This statement about the cost, the statement about the "lowest price on the continent", is not correct, because we are not building them cheaper than any other place in Canada.

MR. STORM: Three hundred and twenty-seven thousand dollars swelled up to Seven hundred and twenty-five thousand dollars.

MR. WREN: Despite the low unit cost?

MR. STORM: Yes.

MR. WREN: We are not building any roads
any cheaper?

MR. STORM: I do not think so.

THE CHAIRMAN: May we now come to this on
page 16:

"Work awarded at ridiculous prices --
and that fact known to both parties -- and the work
ultimately paid for at cost or a little better, does
not conform to the true spirit of tendering. It is
this circumstance of the untidy method of mutual
helping out -- government to contractor, and con-
tractor to government -- that is so unsatisfactory
to all concerned.

"A business basis of tendering and carry-
ing out the work, to the satisfaction of all concern-
ed, is within the power of the government to
establish."

BY THE CHAIRMAN:

Q You mean the Department of Highways and your
group?

A Yes.

Q When you say, "Department of Highways" whom
do you mean in the Department?

A Anybody in the Department who is familiar with
it.

Let me put it this way: If you see granite bid at 85 cents a yard, any engineer knows that it cannot be done for that, it is an unbalanced bid. That is an unrealistic price for moving a yard of good, hard granite, drilling, shooting, hauling, and transporting it, and putting it in the dump.

BY MR. WREN:

Q If he uses 85 cents, and the quantity is wrong, or considerably less than the estimate, he will get the contract?

A Provided he has the lowest rate. In other words, it is an unbalanced bid.

BY MR. BECKETT, Q.C.:

Q What is the common unit price?

A It varies. There are very many variables, the hill, the hardness of the rock, the drilling costs and so on, can vary in various rocks, the amount of boulders necessary to move and so forth.

BY MR. MAPLEDORAM:

Q And the skill of the contractor?

A Yes.

BY HON. MR. PORTER:

Q In view of that, how can you say it is not a realistic price?

A You can get down to a certain level.

BY MR. WREN:

Q What is the barest minimum for rock?

A It depends on the type of rock.

MR. BECKETT, Q.C.: The witness quoted
80 cents.

THE WITNESS: Yes, in relation to good, hard,
tough granite.

BY THE CHAIRMAN:

Q What would you say about \$1.00 for rock for
12 miles from Chapleau on this new No. 69 highway?

A We could not do it. That is about all I can
say.

MR. JANES: The chap up there was doing it,
and he seemed to be doing all right.

MR. WREN: Maybe he was not moving much rock.

THE WITNESS: On your tender form you will
noticed that any unbalanced bid may be rejected, but I
do not think I have ever seen one rejected for the
reason of being unbalanced.

BY THE CHAIRMAN:

Q I want to come back to my question again.
You have made the statement, "facts known to both parties".
Here is a group of people in the Department of Highways,
with whom you, in the Association, would be associated. Who
when this contract was granted, would be included in "both

parties". Who would be "the other party"? I want to know the personnel involved in that.

A I would assume the Minister is advised by the engineer that such-and-such price is pretty ridiculous.

BY HON. MR. PORTER:

Q That is a presumption, Mr. McQuigge?

A Yes.

THE CHAIRMAN: Assuming it is known to both parties --

HON. MR. PORTER: I do not think we should act on assumptions.

THE CHAIRMAN: That is why I thought earlier the hon. Minister should be here.

BY MR. WREN:

Q Have you told the hon. Minister that the price was "ridiculous"?

A Many members of the Association have told him.

Q Can you name any who have told him?

A Mr. Storm.

MR. STORM: I have, and I discussed it, and he agreed with me.

THE CHAIRMAN: That the price was ridiculous?

MR. STORM: Yes.

MR. BECKETT, Q.C.: When would that be,
Mr. Storm?

MR. STORM: Oh, it has been over the course
of the last three or four years, regularly.

BY MR. WREN:

Q Has the former Deputy Minister been told?

A I think so.

MR. STORM: Told the same thing, by me.

MR. WREN: Any others?

MR. STORM: I assume so.

MR. WREN: Has he ever been told by resolution
of this Association?

THE WITNESS: Not that I know of.

BY MR. WREN:

Q It is generally known?

A Yes.

MR. DENT: Did they tell the Minister the
price was too low?

HON. MR. PORTER: What can the hon. Minister
do about that. If he thinks the prices are too low, and
the people bid those prices, what can he do?

MR. STORM: The point there is what they can
do now. They might find some way of eliminating that.
Under the present system, he cannot do anything.

The Bonding Companies bond the contractors. The

Minister was in a very difficult position but, to me, he has so stated, and so has his deputy.

HON. MR. PORTER: That is perfectly clear.

MR. STORM: Therefore, the Minister, the Deputy Minister, the Engineer and I discussed it, and we all agreed it was ridiculous.

MR. WREN: I think we are treading on dangerous ground, because these are the areas of difficulty which caused other difficulties, perhaps.

HON. MR. PORTER: If the people are bidding low prices, it may be one man's opinion against another. I think that is what Mr. Millar suggested.

MR. WREN: Would it not be reasonable to assume, if the hon. Minister realized that a situation like that was creating difficulties, he might propose to the House a change in policy to eliminate that sort of thing?

THE CHAIRMAN: I think that is a matter for you to argue later. No one will answer that question at the moment. You are not in the witness box this afternoon, Mr. Wren. When the evidence is all in, we will be summing it up.

MR. COLLINGS: I think the witness should read the last paragraph on page 16.

THE WITNESS: That paragraphs reads:

"There is very little wrong which cannot be corrected. The proper facilities, personnel and organization to ensure adequate pre-engineering will cure one-half of the problem. Predetermination of a contractor's fitness to bid, based on prior experience, character, personnel, financial and equipment resources, will correct the other half of the problem. Both must be linked together."

THE CHAIRMAN: That is a pretty good summary of the whole thing, right there. I think perhaps we will adjourn for ten minutes.

---- Whereupon a short recess was had.

---- Upon resuming.

THE CHAIRMAN: What was the last question?

---- Whereupon the following questions and answers were read by the reporter:

"MR. WREN: Q. Have you told the hon. Minister that the price was 'ridiculous'?"

"A. Many members of the Association have told him.

"Q. Can you name any who have told him?

"A. Mr. Storm.

"MR. STORM: I have, and I discussed it, and he agreed with me.

"THE CHAIRMAN: That the price was ridiculous?

"MR. STORM: Yes.

"MR. BECKETT, Q.C.: When would that be,

Mr. Storm?

"MR. STORM: Oh, it has been over the course of the last three or four years, regularly.

"BY MR. WREN:

"Q. Has the former Deputy Minister been told?

"A. I think so.

"MR. STORM: Told the same thing, by me.

"MR. WREN: Any others?

"MR. STORM: I assume so.

"MR. WREN: Has he ever been told by resolution of this Association?

"THE WITNESS: Not that I know of.

"BY MR. WREN:

"Q. It is generally known?

"A. Yes."

BY THE CHAIRMAN:

Q You said that you told Mr. Millar? Mr. Millar is here and I think he wants to speak to the Committee on what you have said about having had a conversation with him. I just wanted to make sure there was no doubt in your mind as to what you have said there.

MR. WREN: That you had told him.

MR. STORM: Many times I have discussed the

situation with him about prices at which this work was going.

THE CHAIRMAN: Did Mr. Millar, in relation to what you told him, indicate any agreement, or anything of that sort.

MR. STORM: He never agreed with me.

MR. WREN: You said the hon. Minister agreed with you, but not Mr. Millar?

THE CHAIRMAN: The hon. Minister agreed with you, but not Mr. Millar?

MR. STORM: That is right.

THE CHAIRMAN: Now, we have come to the end of page 16. Are there any questions or recommendations concerning pages 17, 18, 19, 20, 21 and 22? They give useful information, there.

MR. WREN: On page 21, I have a question noted, Mr. Chairman.

THE CHAIRMAN: Yes; all right.

MR. WREN: It is about five paragraphs down, Mr. Chairman.

BY MR. WREN:

Q In your experience with the Association and its membership, do you know how frequently it was that a Bonding Company took over the work of a contractor?

A I do not think there have been very many

instances of Bonding Companies taking them over.

Q It has been rather rare during the years?

A Yes.

BY MR. BECKETT, Q.C.:

Q Would your Association know of instances of that kind? Would they come to your knowledge?

A Yes. It would probably be brought to the attention of our General Manager by some member, or else he would find out himself, through his connections with various Bonding Companies.

One of his duties is to keep in contact with all affiliated bodies, which have some interest in the highway-construction business.

Q Did the Bonding Companies ever express any concern to you about what you term "ridiculously low prices bid"?

A In private conversations, certain members of Bonding Companies have deplored the trend of present-day prices, yes.

Nothing in an official way.

Q Did they ever express any alarm that they might have to?

A I think they are alarmed at the present time.

Q I am speaking of over the years.

A No, I do not think so.

Q It is just recently they have been becoming alarmed that they might become involved?

A Yes, that is right.

THE CHAIRMAN: Now, pages 22, 23, 24 and 25.

MR. JANES: In the second paragraph of page 25, "performance bonds".

I think I have asked the question as to what the premiums on bonds were in Ontario, and I think the answer was ".75 percent."

THE CHAIRMAN: That is what I understood this morning.

MR. JANES: Then the premium is the same as it is in Michigan?

BY THE CHAIRMAN:

Q Is that right, Mr. McQuigge?

A Yes. I asked Mr. Philpott to check that.

THE CHAIRMAN: Are there any representatives of the Bonding Companies here at the moment? I suggested this morning they might want to attend.

MR. WREN: Was that figure based on the bid or the final costs?

THE WITNESS: No, on the contract bid.

For instance, a one-million-dollar contract, the bond, .75 percent.

MR. STORM: That has happened to me on several

occasions, where I was asked to put up an additional amount of premium to cover the final cost.

MR. JANES: I suppose that cost is rated on the same basis as any other bond. If the loss rate is high, there is a raise in the premium?

THE WITNESS: Yes, I presume that is so.

MR. JANES: So I suppose the losses have not been as great in Michigan and other parts of that country?

THE WITNESS: It looks that way, unless the insurance companies there are more philanthropic.

MR. JANES: Have you found them that way?

THE WITNESS: Never.

THE CHAIRMAN: Any further questions on page 25?
(No response)

Then, on page 26. I think there is a correction in the second line of the last paragraph, five lines from the bottom. Change the word "one" to "two".

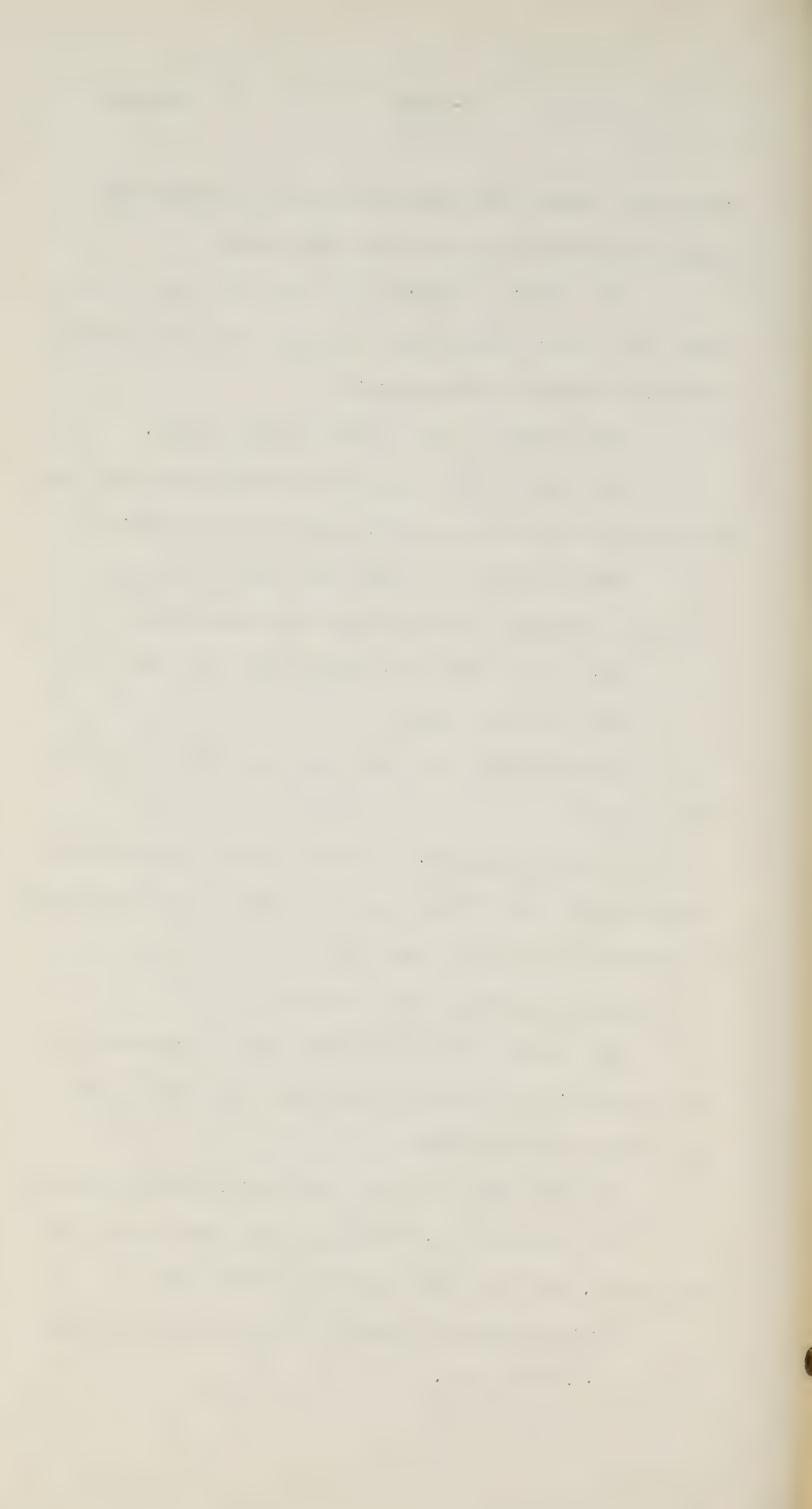
Now, on page 27 and page 28.

MR. JANES: They are asking for an increase in the classification, rather than less. They ask it be increased into four items.

THE CHAIRMAN: Oh yes, "material classifications".

In New York, Mr. McQuigge, they have it all in one bundle, and they deal with it in that way.

We are trying to find out if there is anything we should explore here.



On our New York trip, speaking for myself, I received the impression that all half-ton boulders -- anything under one-half ton was figured by the cubic yard.

That probably clears the matter up pretty well.

THE WITNESS: It was "yards" instead of "tons".

THE CHAIRMAN: Is it a half yard, or a full yard?

MR. DENT: A full yard.

THE CHAIRMAN: What would that weight be?

MR. ELSON: In regard to rock prices; they would go from \$1.36 to \$1.62 per cubic foot, so it would go around one and one-half tons per cubic yard.

THE CHAIRMAN: So one-half cubic yard would be three-quarters of a ton?

MR. CLARKE: A rock is about 3 x 3 x 3.

MR. WREN: Does that agree with your figures?

MR. STORM: No, some of that is too tough. That is a damn big boulder, and a half-yard boulder is pretty tough.

If you have big equipment on the job, yes, but take the ordinary boulder, a three-quarter yard shovel is not very good.

That should be settled by this Committee.

THE CHAIRMAN: You think the type of boulders should come under a separate classification of its own?

MR. STORM: I would say one-half yard at least.

THE CHAIRMAN: I thought it was one-half yard.

MR. CLARKE: It was one-half yard, but we changed it last December to one yard.

THE CHAIRMAN: To a full yard?

MR. CLARKE: Yes.

MR. ELSON: One dollar and a half per cubic foot would give you --

THE CHAIRMAN: I had the one ton in my mind, but that was the old weight.

THE WITNESS: That is right.

MR. ELSON: Yes.

THE CHAIRMAN: It is a two-ton weight now, and Mr. Storm says that is too tough.

We will see what the recommendation is here. Is there anything on page 29?

MR. JAMES: I was interested in the first and second paragraphs on page 29. It is not my impression that the Department of Highways had too much equipment, especially in the North. They are not prepared to do any contracting.

BY MR. WREN:

Q How could you guarantee, Mr. McQuigge, in the busy season, which is always the Highways' busy season, that you would have equipment available for rental?

I can see the possibility of the winter time --

A You probably have a point there. It was the

feeling amongst the Members that there were certain jobs which small Contractors -- and even the larger Contractors -- could perform to mutual advantage.

Q You suggest that the discontinuance of subsidies to townships and municipalities would tend to discourage townships from buying equipment?

MR. JAMES: That would not be very popular. I inquired about the second paragraph, and I understood it was put in there on purpose, to check the cost of asphalt work, and that is why the Department has it there.

THE CHAIRMAN: I think that is getting down to Departmental matters. I do not think the Committee wants to tell the Department how to handle it. If there is a set-up from consultations between the Department and the Association, that position would be changed from time to time.

I think we can pass that for the moment, and perhaps it may be discussed later.

MR. WREN: In regard to this furnishing of the materials: I would like to ask for the views of the witness as to why they have an objection to the Township's buying equipment themselves.

THE WITNESS: Many times we feel we could supply them at a saving, probably by reason of competition.

However, that is just a thought that was put in, because it was mentioned by several Contractors.

BY MR. WREN:

Q How do you find the supplying of materials?

Is it fairly prompt -- on schedule.

A Yes, I would say it is.

MR. STORM: That is the normal function of the Contractor to supply materials to the work.

MR. BECKETT, Q.C.: Mr. Chairman, New York State and North Dakota supply the materials.

MR. HERBERT: No, they do not.

MR. BECKETT, Q.C.: I mean the Contractors.

MR. HERBERT: Oh, yes.

MR. JANES: I think the Government buying for the whole Province, could buy cheaper than any Contractor.

MR. CHAIRMAN: I hardly think it would be practical for the Contractors to supply it up in the North.

MR. WREN: I never saw any Government buy any material cheaper than private enterprise.

MR. CHAIRMAN: There would have to be a difference in the North.

MR. HERBERT: I think the Contractors should supply the materials.

MR. COLLINGS: What is the reason behind that?

MR. CHAIRMAN: I was thinking of the Crown Land in the North. As I say, we have a great deal of Crown Land in the North country, and I do not think it would be

practical for the Contractors to supply the materials in that part of the Province.

MR. HERBERT: The Contractors in the North go out and make their own arrangements. If you have a contract in Northern Ontario, you make your arrangements with the gravel pit owners. They are not Government gravel pits.

MR. STORM: And now we can rent them and charge you for them.

MR. CHAIRMAN: Then you make a deal with the Department of Mines?

MR. STORM: Yes.

BY MR. WREN:

Q But supposing you could buy cement and stone cheaper than the Department supplies it?

A That is our impression, I assume.

THE CHAIRMAN: Mr. Gordon, do you want to comment on that?

MR. GORDON: The recommendation in our Report is that the Department should continue to buy materials, but the materials should be consigned to the Contractors, and accounted for in the hands of the Contractors.

The reasons why we feel the Department should do the purchasing, are really two-fold. The first thing was that I think the Department should be able to get lower prices buying in the quantity, if they buy for all

their contracts at one time.

Secondly, I think at times of shortages of materials, the Department has a better chance to secure materials than an individual Contractor would have.

THE CHAIRMAN: And, thirdly, there is a tendency to buy them all up?

MR. GORDON: I do not think you could buy all the cement up. I do not think that is likely to happen. I think it is a straight matter of who can purchase it the cheapest. That should be the governing factor.

BY HON. MR. PORTER:

Q Mr. McQuigge, have you anything to say in the light of that statement?

A No, I think that is the acid test.

Q You think the Contractors could do it more cheaply?

A That was the consensus of opinion.

Q If they think they can do it more cheaply, then the less the Government has to do with it the better.

MR. COLLINGS: I think so, too.

THE WITNESS: It is a controversial point at the present time because we have no statistics to back us up.

HON. MR. PORTER: The Contractors would be satisfied to buy their materials themselves?

BY THE CHAIRMAN:

Q Is there any danger of somebody knowing there is a projected line coming in, and to get all the gravel and

other material, and holding up one firm from bidding, perhaps?

A You are referring to the gravel pits in a certain area?

Q Yes; I think if somebody had pre-knowledge of the projected line, there would be the danger of tying up the bidding by optioning the ownership.

BY MR. COLLINGS:

Q Do not gravel pit firms buy it up now?

A Yes.

BY THE CHAIRMAN:

Q Is that not a practice which some regulation could control?

HON. MR. PORTER: How could you prevent it?

MR. JANES: Is there any cases of that being done through Crown Lands?

MR. HERBERT: No, it comes through the Department of Mines. They lease it.

THE CHAIRMAN: That is something that perhaps the Department will have to look into. I do not know that this Committee should get down to too many details.

MR. HERBERT: In the States they have taken over themselves, and then they re-sell it.

MR. ELSTON: Mr. Chairman, Mr. Clarke has said in respect to the present practice, they supply materials,

and has given the reasons for it. Would you like to hear him?

MR. CHAIRMAN: This might be a good time to hear Mr. Clarke.

MR. CLARKE: We would like to control the critical materials, cement, steel, asphalt, and so forth, so there is no controversy about the amount which goes into it.

If a Contractor buys the material, and we paid him for it, that would be alright, but if it goes into the price per ton or per yard, we would like to control that -- all critical material.

MR. HERBERT: Do you not control it now?

MR. CLARKE: Yes.

HON. MR. PORTER: That is your practice now?

MR. CLARKE: Yes, Mr. Minister, we supply it. We can put in six bags of cement, or five, or four. But if the Contractor supplies it and we say "Put in six bags." and he is paid for five bags, there will be a controversy.

MR. HERBERT: I still do not see how you will check it, anyway.

MR. CLARKE: I say, if we pay the Contractor for the material, that will be alright.

Is it your idea we buy on the same basis as we do now, Mr. Storm?

MR. STORM: In most of the municipalities, the States, and Provinces, the Contractor supplies the material. That is part of his function. I do not think there is any doubt that some arrangement could be made that you could get it on the contract for so many bags of concrete, and if you want another bag, let them pay for it.

MR. CLARKE: The Contractors at one time did supply the material, and it was because of a controversy that was raised, that it was changed.

MR. STORM: I suppose, in order to protect the Government, it could be done. We might put in too much.

MR. JANES: I would not worry about that. I think that is something the Department can work out itself.

MR. ZOLLER: Then there is the saving of the sales tax, too.

HON. MR. PORTER: That would be quite an item.

MR. HERBERT: Ten per cent.

MR. WREN: It could still be done with private enterprise.

MR. HERBERT: You could save it by way of a rebate.

HON. MR. PORTER: Is there not a rebate now?

MR. SPENCE (Assistant Auditor): Not on the contracts. If it is bought by the Contractors, the Government will not allow it.

THE CHAIRMAN: The Federal Government would not allow it?

MR. SPENCE: Yes, Mr. Chairman, that is it.

HON. MR. PORTER: I think we should change the Federal Government.

MR. BECKETT, Q.C.: We all agree on that.

MR. WREN: There have been several good tries.

THE CHAIRMAN: Mr. Beckett will give the answer concerning the document produced by Mr. Clarke in connection with the location of certain contracts, which were called during last Winter.

MR. BECKETT, Q.C.: On December 16, 1953, tenders were called, for public opening on January 15, 1954, for hot-mix pavement. -- Then there is a large list of locations, "Owen Sound, Huntsville, North Bay, Owen Sound again", and so forth, etc.

Also, at the same time, tenders were called to be opened on Friday, February 5th, 1954, for granular base at Chatham, Stratford, Oshawa, North Bay, Cochrane, and Fort William.

And for bridges and culverts, at London, Huntsville and Owen Sound.

I picked out certain ones to show locations in the South and in the North.

THE CHAIRMAN: Is there anything arising out of that answer by Mr. Beckett?

MR. BECKETT, Q.C.: These are being let in the winter time, for different sections of the Province.

THE CHAIRMAN: Is there anything on pages 30 and 31?

Under the item of "Contracts"; we had the Solicitor for the Department here about three weeks ago, and he gave us some evidence on the general situation with respect to contracts.

Item no. 14 recommends the re-writing of them. From a Departmental standpoint, it might be very sensible to take this Committee's views on some of these things when working out the form of the new contracts.

I suggest that perhaps the Committee would agree with that, as we go along. It might be helpful, and their Solicitors could assist in the formulation of the new contract.

Is there anything on page 32? I think we will recommend there the appointment of a Committee for liason with the Department of Highways as being something which might be very constructive and certainly might be passed on to the Department for its consideration.

THE WITNESS: In connection with this Committee; I would like to emphasize this point.

In Michigan, although members of their Roadbuilders' Association are invited to attend at the meetings, they actually have no voice. However, in practice, it has

worked out that the Department has more than benefited by reason of the experience of the contractors on many, many problems.

THE CHAIRMAN: Perhaps if we had all been together a little more over the past several years, we would not be sitting here today.

MR. JANES: The second last paragraph on page 33, I think will stand reading.

THE CHAIRMAN: All right. Will you read it?

MR. JANES: It reads as follows:

"Thanks to the practical vision and vigour of the Department of Highways, we stand on the threshold of an even great road development. The economic benefits of that enlarged program will accrue to the benefit of the general public, during the processes of construction, and in the ultimate use of new highways services."

MR. WREN: Are you challenging that statement?

MR. JANES: No; I agree with it.

THE CHAIRMAN: It is an important statement from this organization which is presenting the brief.

Is there anything else? (No response.)

On page 34? (No response.)

Then the Schedules. It appears that in Michigan, the initial pre-qualification rating is \$30,000.

MR. JANES: Perhaps we should ask for a sketch of that kind of material, and compare the two.

MR. BECKETT, Q.C.: I was wondering what the Association would recommend as a starting point.

THE WITNESS: In Michigan the contractors supply the materials, which makes a vast difference in the costs of highway construction. Here we do not supply the materials.

There the ratings which are used are seven and one-half times the quick assets, five times the letters of credit, and four times machinery.

We do not know exactly what is the best formula, but we feel it is a matter worthy of consideration, and we recommend that a system similar in principle to that of Michigan and some other States is something which should be by mutual determination and that some equitable formula can and should be worked out.

THE CHAIRMAN: I think that is as far as this Committee will want to go at this point, that is, to recommend a formula, and let the details be worked out.

Mr. MacTavish, Q.C., the Counsel for the Committee, might better ask this question.

MR. MACTAVISH, Q.C. (Counsel for Committee): Through you, Mr. Chairman, I would like to ask Mr. McQuigge whether from his knowledge he can state whether any of the states of the United States follow any practice of supplying

materials by the State, which is similar to our practice here, and whether you have anything you can tell us about that State as to the pre-qualifications -- the minimum requirements?

THE WITNESS: No, I have no information on that, Mr. MacTavish.

BY HON. MR. PORTER:

Q This figure of "\$30,000.00" is the maximum size of the job they can take?

A Yes.

BY MR. WREN:

Q What is your experience in other Provinces of Canada? Do they make any pre-classification, in any of the Provinces?

A No, I do not know of any Province which has any pre-classification. It is on the unit-price basis. I believe Quebec is a little different. I do not believe they have been calling tenders down there.

Q It would not be a similar kind of government?

A I know nothing about that aspect of it, Mr. Wren.

THE CHAIRMAN: I suppose the Department will wish to make some comment about this brief, and I would suggest, from the standpoint of the Committee, that be done as quickly as possible.

I will suggest that perhaps tomorrow morning

the departmental officials might put forward their views.

I do feel, Mr. McQuigge, that you, Mr. Storm, Mr. Philpott, and your solicitor should be here, because there may be an exchange of views, and we may want to ask you to come back into the witness box again, and I think it would be better if you could arrange to be here all the time.

BY MR. WREN:

Q I have just one more question. In the other provinces, where you or your members may have worked, did you find over-runs to be extensive?

MR. STORM: We are working in British Columbia now. The pre-engineering is very good. They do not call tenders until it is ready, and it is left to the engineers to advise when a job can be called, and they will not call it, until it is ready. We have found that a very excellent system.

The tenders are opened in public, and the marked cheques of those not awarded, are returned immediately.

MR. WREN: Let us assume a contract is \$500,000; would there be a ten percent., or twenty percent., over-runs? What would be the average difference of under-runs and over-runs in British Columbia?

MR. STORM: I would say that the original contracts for extensions were "right on the nose".

BY MR. JANES:

Q Are you working on the Trans-Canada highway, in British Columbia?

MR. STORM: No, we are not. We are working in the Okanagan at the present time.

MR. WREN: There is one point there about the Trans-Canada: in your brief you quote the statement that our roads and highways are the best in the World, and that has been mentioned elsewhere. When they are speaking generally about the Trans-Canada Highway Agreement, yet the Trans-Canada Highway specifications seem to be so much more expensive. I am not an engineer, and I do not know the technical end of it. But, would you say our Trans-Canada specifications are too lavish?

MR. STORM: I would say they are very lavish in the north country, for the amount of traffic there is at the present time.

MR. WREN: They should be modified?

MR. STORM: No -- I do not know what their policy is. I have 12 miles staked up there between Thessalon and Chapleau, and I do not believe there are one hundred vehicles passing over it in a day.

THE CHAIRMAN: Perhaps Mr. Wren could do some-

thing about that.

MR. JANES: I understand the Trans-Canada specifications in British Columbia are modified considerably.

MR. WREN: How would they relate to the conditions in the Marathon area, east of Schreiber, where it is very difficult? How would British Columbia compare?

MR. STORM: Very favourably.

MR. WREN: Would it be the same as in that area?

MR. STORM: No, for the same condition of hills and grades, and so on.

I remember one instance where the Chief Engineer came along, on the Fraser River, and said, "Move that in ten feet", and it added 250,000 yards of rock. The ten feet went right straight up the mountain.

I would say that British Columbia's road conditions are most excellent. One of the finest jobs I have ever seen is up there.

MR. JANES: My idea of the highways in British Columbia was they were more easily built than ours here.

MR. STORM: It is hard to get in there and

drill that "stuff".

MR. JANES: They could roll it down the mountain.

MR. STORM: They would not allow you to do that.

MR. WREN: Under difficult conditions, they are staying close to the estimates?

MR. STORM: I would say, yes.

THE CHAIRMAN: I want to file as exhibits the documents asked for by Mr. Oliver and Mr. Wren, that is, the contracts submitted by the Fort York Company -- the Atikokan contracts. The Secretary will produce those documents.

MR. JOHNSON (Secretary): This is in answer to a call to Mr. Tregaskes. These (indicating) are the tenders submitted by the Fort York Construction Company on the Atikokan area.

EXHIBIT NO. 53: Tenders,
Fort York Construction
Company, Atikokan area,
as produced by Mr. V. J.
Johnson, Secretary.

THE CHAIRMAN: Are there any further questions on the brief, or can we leave it to be discussed further to-morrow morning at 10:30?

I believe there will be some members of the Head Office staff of the Department of Highways, who will

want to make some comments on the brief.

I now have a letter from the Ministry of Transport and Civil Aviation, dated June 15, 1954, which our Secretary might distribute.

MR. WREN: There is another matter of interest, which Mr. Oliver asked me to secure. That was the contract which had to do with the construction of the highway between Guelph and Erin.

THE CHAIRMAN: That is up in the Riding of Mr. John Root. It is a good Irish village, and everything must be all right up there. Mr. Elson, could that be obtained?

MR. ELSON: What is that, Mr. Chairman?

THE CHAIRMAN: Mr. Wren is asking for a contract for construction of a road between Guelph and Erin. Can that be produced?

MR. ELSON: I think so, yes.

MR. WREN: The construction of the highway between Guelph and Erin.

THE CHAIRMAN: The distribution of this "brief", as I will call it for convenience, to the members of the Committee is so they may care to look it over during the evening, and we will deal with it tomorrow, after we have completed our discussions on the brief by the contractors.

As I notice the agenda, to-morrow we will continue, as I have already mentioned, with the brief by the contractors, and any comments by the officials of the Department of Highways on it, which they may desire to make.

Then, we will deal with the brief from the Ministry of Transport and Civil Aviation. I think, also, we will have some correspondence and there may be some other witnesses who will follow logically.

On Wednesday, we have Mr. Sterling, and perhaps one or two others. We will also have the brief from the Professional Engineers Association, which is not yet ready for presentation.

The Canadian Pacific Railway Engineer is in Montreal at the moment. I am in hopes that he will be available to-morrow or Wednesday morning, to give us any comments he cares to make.

And then, in the interval, we might deal with anything which may come up until, say, noon on Wednesday, and if we can come back to the Woods-Gordon report, we may be able to clear up some of the items in that between now and Wednesday evening, and it might be helpful to go through it, as far as the construction part of the program is concerned, as promptly as possible.

We will meet at 10:00 o'clock on Wednesday morning; at 10:30 o'clock to-morrow morning.

---- The witness temporarily retired.

---- Whereupon at 5.22 of the clock p.m., the further proceedings of this Committee adjourned until Tuesday, June 29th, 1954, at 10:30 o'clock a.m.

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